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U.S. Gives Warning To PLO

Arafat Reported To Set Attacks on American Targets

By Elaine Sciolino
WASHINGTON — The United States has received reports that the Palestine Liberation Organization leader, Yasser Arafat, approved terrorist actions against U.S. targets in retaliation for the assassination of his top aide, a senior State Department official said Tuesday.

The official, Richard W. Murphy, assistant secretary of state for Near Eastern and South Asian affairs, also said that the United States had sent messages through several Arab governments warning Mr. Arafat not to attack U.S. personnel or installations abroad as a reprisal for the assassination of a top aide, Khalil al-Wazir.

Mr. Wazir, known as Abu Jihad, was deputy commander of the PLO's forces. He was killed by unknown assailants, widely believed to be Israeli agents, at his home in Tunisia last month.

"We discussed some reports which we heard about possible PLO intentions to retaliate for Abu Jihad's assassination," Mr. Murphy told two congressional subcommittees. "We took those up with some Arab governments with whom we have very close relations."

State Department officials said there were U.S. intelligence reports that Mr. Arafat had personally approved retaliatory measures against the United States, but added that no specific installation or U.S. citizen had been targeted.

Both Saudi Arabia and Jordan were asked to relay the U.S. message to Mr. Arafat, the officials said.

Mr. Murphy testified before two House Foreign Affairs subcommittees to defend a proposed U.S. sale of \$825 million in military equipment to Saudi Arabia. The deal has provoked congressional opposition in large part because of Saudi Arabia's secret purchase of Chinese-made missiles.

Mr. Murphy rejected Mr. Arafat's charges, made at a news conference in Baghdad on Tuesday, that the U.S. message constituted a threat to attack PLO leaders if Pal-

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A Hostage's Story: Disbelief, Despair

By Youssef M. Ibrahim
On Tuesday, in a gripping account in L'Evenement du Jeudi, his weekly magazine, Mr. Kauffmann recounted his ordeal as a hostage at the hands of unidentified men. It was a rare glimpse of the Beirut extremists who are still holding American, British and other hostages, a glance into their methods of operations and the dark world they inhabit.

The account began with the abduction and drive at night through the deserted streets of Beirut. The trip from the airport ended in an underground garage, where men with cameras filmed the arrival of Mr. Kauffmann and Mr. Seurat.

Others took their watches, passports and money. They were locked into a room with a single light bulb hanging from the ceiling, a room suffused with gasoline fumes.

In the garage, which became their home, a routine was quickly established.

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President Francois Mitterrand, left, and Michel Rocard, his choice for prime minister with a mission to form a centrist realignment.

Rocard Replaces Chirac

Moderate Leftist Is Seen as Key to Centrist Strategy

By Joseph Fitchett
PARIS — President Francois Mitterrand appointed Michel Rocard, a Socialist who is also a popular national politician, to be the new prime minister, replacing Jacques Chirac, who resigned earlier Tuesday.

Mr. Rocard, 57, is known as a pragmatist whose election will appeal to French centrists.

By choosing him, Mr. Mitterrand, who was re-elected Sunday to a second seven-year term, is apparently seeking to persuade some moderate conservatives to switch out of opposition and join a center-left coalition with broad, durable support in the country.

Mr. Rocard is expected to form a government, including some prominent non-Socialist figures, that can hope to obtain a working majority in Parliament, thus avoiding early legislative elections. The present Parliament, elected in March 1986, has a conservative majority.

If conservatives choose to vote a centrist motion and provoke new elections, the Socialists would have a powerful electoral lineup behind Mr. Mitterrand, who won comfortably on Sunday, and Mr. Rocard, who consistently has led opinion polls as the politician with the broadest national appeal.

The choice of Mr. Rocard, commentators said, indicated that Mr. Mitterrand had subordinated any major policy initiatives, particularly any new Socialist measures, to his broader goal of trying to realign French politics.

Mr. Mitterrand is believed to want to allow time for French politicians and voters to see his new policies at work so that enough centrists will agree to form a new group and break with their allies in the conservative coalition.

Mr. Rocard has strong credentials for bringing about such a fundamental shift of this kind in the French political spectrum, which recently has been characterized by a conservative bloc versus the Socialist-dominated leftist bloc.

Mr. Rocard, although not widely known internationally outside Socialist circles, has been a Socialist leader since his youth, gradually moving from the party's left to more practical, broadly based policies. Part of France's political caste of technocrats, he served as agriculture minister in the Socialist governments under Mr. Mitterrand between 1981 and 1985.

He has a reputation among Western officials who have dealt with him as a constructive negotiator with an impressive intellect. He represented France in prolonged European Community negotiations that produced the first steps toward curbing farm surpluses.

Probably the most frequent epithet for Mr. Rocard is "France's best socialist democrat," meaning that he is viewed as pragmatic and committed to free enterprise and a market economy, a man whose politics resemble those of the moderate left in Britain and West Germany.

Mr. Rocard is respected by French centrists as a man of political integrity and an early opponent of the economic dogmas that hurt the Socialists' performance when they controlled the Parliament and the government from 1981 to 1986.

In 1985, he resigned from the government to protest Mr. Mitterrand's action in changing the electoral system to proportional representation.

See FRANCE, Page 2

Workers at Gdansk Shipyard End Strike Without an Accord

WARSAW — Lech Walesa and 1,000 followers left the Lenin shipyard with heads held high but no settlement on Tuesday night, declaring that their eight-day strike had showed Poles they must "fight to win."

Their procession slowly and calmly left the shipyard, birthplace of Solidarity, shortly after 8 P.M. Many of the workers carried huge black and white flags and police stood back silently and let them pass.

Townpeople applauded from balconies and sidewalks as the procession, following a cross and two Polish flags, walked three blocks to a church that has been a stronghold of Solidarity, which was outlawed

after the martial-law crackdown in 1981. As the procession approached the church, bells pealed and supporters rushed out to embrace Mr. Walesa and the other strike leaders, offering them flowers. "We thank you, we thank you," the crowd chanted.

The police, who had kept a tight blockade around the sprawling shipyard, stepped back and let the procession pass. The workers decided Tuesday evening to end the strike for higher pay and union rights. The move was recommended by the strike committee in a 10-2 vote, strikers said.

The strike at the shipyard was the last in a string of five that began April 25, the country's worst wave of labor unrest since 1981. Piotr Konopka, an aide to Mr. Walesa, said: "I think we accomplished something. We gained general agreement on the other side that we exist."

Workers Were Divided

Jackson Diehl of The Washington Post reported earlier from Gdansk: Inside, the workers of the shipyard waited at the grimy tables of the company mess hall, shuffling decks of blackened cards, reading smeared strike committee bulletins or sipping tea out of white pewter mugs.

Outside, beyond a tightening police cordon, they gathered on a windy parking lot outside a municipal hall Tuesday afternoon, shuffling from foot to foot and talking in low voices as they waited for monthly paychecks paid out to those not on strike.

Some said they had not had the nerve to hold an inside after police laid siege to the yard last Thursday. Some said they felt too old, or too tired, to do battle against such apparently long odds. A few said they opposed the strikers' political goals of legalizing Solidarity and freeing political prisoners.

But mostly, what emerged from conversations with workers in and outside the shipyard is a portrait of a strike that went off half-cocked.

But for the majority, the thousands who lined up for their pay-



SIKH PILGRIMS ARE DETAINED — Sikh pilgrims awaiting police interrogation Tuesday in Amritsar, India, after a gun battle Monday between the police and Sikh separatists left five persons dead. In New Delhi, Prime Minister Rajiv Gandhi's government came under increased pressure to eject the separatists from the Sikhs' holiest shrine, the Golden Temple. Page 6.

Danish Rightists Gain, But Coalition May Hold

COPENHAGEN — Denmark moved to the right Tuesday in a general election called over its membership in NATO, but it appeared that the Conservative-led coalition would retain power as a minority government.

With 98 percent of the vote counted, the most striking development was the success of the far-right, anti-immigrant Progress Party. It increased its representation from 9 to 16 seats in the 179-member Folketing, or parliament, thus seizing the balance of power.

The United States and Britain said the motion put an intolerable strain on their policy of neither confirming nor denying the presence of nuclear weapons aboard their ships.

The election revealed a deep strain of anti-nuclear feeling among Danish voters, but there was also an element of apathy on the NATO issue. Instead, voters deserted the Conservatives for the Progress Party, which until now had been regarded as something of an outcast in Danish politics.

The party is pro-NATO but is seen as outside the mainstream in Danish politics.

Its leader, Mogens Glistrup, said after the television projection was known: "As long as we have high income tax and the Mohammedans in the country, that is what we have to fight."

See DENMARK, Page 2

Kiosk

Turmoil Cited By Gorbachev

MOSCOW (Reuters) — The Soviet leader Mikhail S. Gorbachev said in a speech released Tuesday that his ambitious perestroika, or restructuring, program to reform Soviet society had created mass turmoil, even at the country's highest levels.

In a speech Saturday to editors of leading newspapers and journals, Mr. Gorbachev said many Communist Party members were unprepared to implement his program. "We have revealed a real turmoil in the minds of many people — workers, intelligentsia and leading cadres, not only below but at the top," he said.

Mr. Gorbachev stressed, however, that this stemmed more from people being confused or panicking rather than outright opposition.

Related article, Page 7.

U.S. Confident INF Rift Can Be Settled

By Don Oberdorfer
WASHINGTON — The Reagan administration expressed optimism on Tuesday that U.S.-Soviet "technical problems" over monitoring arrangements for the intermediate-range nuclear forces treaty would be resolved by Secretary of State George P. Shultz and Foreign Minister Eduard A. Shevardnadze, permitting the Senate to move ahead with its ratification debate.

The U.S. and Soviet officials are to meet in Geneva on Wednesday and Thursday.

"We hope to resolve these issues quickly," said the White House spokesman, Marlin Fitzwater, and the State Department spokesman, Charles E. Redman, in identical statements.

Both spokesmen expressed the view that success in Geneva would still leave time for the Senate to ratify the missile accord before the U.S.-Soviet summit meeting in Moscow from May 29 to June 2.

The same view was put forward by Republican Senate leaders after a meeting with President Ronald Reagan.

Virginia, said that if the pending questions were satisfactorily resolved by Thursday night, the Senate could take up INF ratification as early as Friday.

The issues that remain unresolved, and which prompted Senate leaders and the administration Monday to postpone INF debate until they are resolved, were described as disagreements over detailed procedures that arose recently between U.S. and Soviet teams working on arrangements for verifying compliance with the treaty. The pact was signed in Washington in December.

One such question involves the minimum dimensions of missile components that inspectors can demand to see in compliance checks. Another is over whether some areas of missile facilities can be placed off limits to inspectors.

Still another involves the right to take photographs in areas being inspected.

In the face of demands for quick and clear acceptance of the U.S. positions on these issues, the Soviet Union, in a message over the weekend, revived the sticky question of the Pershing 1-A, a West German missile with U.S. warheads.

Amnesiac's Gift: Memory Insights

By George Johnson
NEW YORK — About 10 years ago, in the early morning hours after a coronary bypass operation, a retired California postal worker suffered a sudden loss of blood to his brain. Although he survived with most of his faculties intact, the patient, known in the annals of neurology as R.B., lost his ability to form memories.

When R.B. died in 1983, his last half decade an amnesiac, scientists at the Veterans Administration Medical Center and the Salk Institute in La Jolla, California, were allowed to study his brain. R.B.'s amnesia had not been caused by massive or even moderate brain damage, they discovered, but by a small, well-defined lesion in the hippocampus, a part of the temporal lobe that is believed to be involved in storing memories.

The brain cells that had been damaged are now known to be rich in an unusual molecule called the NMDA receptor, after the chemical, N-methyl-D-aspartate, that is used to detect it.

Since 1986, scientists have been accumulating evidence that this receptor is a key component in the brain's memory circuits, turning on the biochemical reactions that lead to the encoding of memories.

It appears to be the gatekeeper that allows calcium to flow into brain cells, strengthening the network of neuronal connections that are believed to constitute memory.

ences," said Carl W. Cotman, a neurobiologist at the University of California at Irvine who has been studying the receptor. "It's a beautiful little switch."

In the last two years, the evidence that the NMDA receptor is critical to learning has become so compelling that scientists with competing theories of how the brain stores information are finding something in common. However divergent the details of the mechanisms they propose, suddenly they are revising them to include this kind of receptor.

The discovery of the receptor's properties has helped reawaken interest in the whole field of learning and memory, holding out the possibility that higher brain functions such as these might finally be explained through biology.

"It's happening really quickly," said Charles F. Stevens of Yale University, who is researching the physiology of the molecule. "A few years ago no one paid any attention to NMDA receptors."

The receptors are believed to be involved not only in memory formation but in creating circuitry in the infant brain.

Paradoxically, they may also trigger a self-destruct mechanism. When overstimulated by the wildfire electrical activity caused by epileptic seizures or blood loss to the brain, the receptors apparently unleash enzymes that destroy neurons.

Pharmaceutical companies are studying drugs that temporarily block the receptors, hoping they can prevent brain damage.

Dow Jones Industrial Average

Up	6.30
Down	1.83
Yen	124.35
FF	5.6915

The Dollar in New York

DM	1.6793
DM	1.8835
Yen	124.35
FF	5.6915

By James Brooke

NIAMEY, Niger — Here, along the edge of the Sahara, conservationists have joined forces with development groups to help a struggling African tribe and protect an endangered animal species at the same time.

means of adequately regulating its body temperature when forced to gallop in intense heat.

square-mile (77,700-square-kilometer) reservation includes sandstone and marble mountains of the Air massif and a sea of Saharan sand known as the Tenere.

be Perouane, a town of 1,500 people, most of them Tuareg. Visitors will pay park-user fees and must hire a local guide for camel, donkey, foot and jeep tours.

Aide Again Minimizes Japan's Wartime Role

By Clyde Haberman

TOKYO — A cabinet minister who caused an international stir last month with comments about Japan's wartime role embroiled himself in fresh controversy Tuesday by saying the Japanese invasion of China five decades ago was not a war of aggression.

war dead, Mr. Okuno said that "Japan fought the war in order to secure its safety." He added: "The white race had turned Asia into a colony. Japan was by no means the aggressor nation."

On Tuesday, the government's main spokesman, Chief Cabinet Secretary Keizo Obuchi, told a parliamentary committee that Japan's official position continued to be that it indeed was an aggressor during what is known in Japan as the Pacific War.

Mr. Obuchi said he did not think there was a difference of opinion within the cabinet on this matter. But he added that he would find out the "true intention" of Mr. Okuno, 74, who during the war was a prefectural director of the Kempeitai secret police.

Meanwhile, the broadcasting network NHK reported that Mr. Okuno had called on Mr. Okuno to urge "self-restraint." Two weeks ago, 41 right-wing members of the governing Liberal Democratic Party issued a statement supporting Mr. Okuno, saying they agreed that Japan had been unfairly criticized for its wartime conduct.

The Okuno episode is hardly the first instance of a senior Japanese official seeking to gloss over Japanese aggression and atrocities before and during World War II, when it occupied most of Asia.

After World War II, an Allied tribunal in Tokyo convicted Japanese leaders of war crimes and sentenced seven of them to death, including former Prime Minister Hideki Tojo.

The verdicts, Mr. Okuno said Monday, were a case of "victors' punishment on the losers."

He insisted, however, that he wished "to establish friendly Japan-China relations" and added, "I have never spoken ill of China."

Mr. Okuno's insistence on repeating comments that China has labeled offensive put Mr. Takeshita in a bind, especially since the prime minister hopes to visit Beijing this summer.

The Chinese reacted strongly to similar observations by Mr. Okuno last month, and they are likely to do so again.

When Japan's foreign minister, Sosuke Uno, visited Beijing last week, he was rebuffed by his Chinese counterparts, Qian Qichen. Mr. Qian was quoted as complaining about a cabinet member who "made remarks that lack good manners."

On April 22, after visiting the Yasukuni Shrine honoring Japan's

Japanese Police Seize Red Army Fugitive

By Fred Hiatt

TOKYO — The Japanese police said Tuesday they had arrested a Red Army fugitive wanted for his part in Japan's first hijacking 18 years ago.

The arrest increased fears that radicals are planning to sabotage the summer Olympics in South Korea.

Yasuhiro Shibata, 34, was arrested Friday as he left his Tokyo apartment and was charged with using a false passport after being identified through his fingerprints.

The police had believed until recently that Mr. Shibata and his seven comrades were still in North Korea, where they went aboard a commandeered Japan Air Lines jet on March 31, 1970.

Mr. Shibata, who was a high school student when the incident took place, apparently has been living in Japan under a false name for at least two years.

Foreign Minister Sosuke Uno told a committee of the Diet, or parliament, Tuesday that North Korea must have assisted Mr. Shibata in leaving that country.

The arrest took place amid speculation that Japanese radicals, trained and inspired by North Korea, may attempt to disrupt the Olympic Games in Seoul this September. North Korea's Communist leaders sought unsuccessfully to act as the cohosts for the games and then announced that their nation's teams would not participate.

The Red Army and a related faction, the Japanese Red Army, are believed to have a few dozen members at most. But Mr. Shibata's arrest was the most recent of several signs that the splintered groups may be stirring themselves after years of relative inaction.

An alleged member of the Japanese Red Army, Yu Kikumura, was arrested recently in New Jersey while carrying bombs, the police said. At about the same time, Italian police said they suspected a Japanese radical of involvement in a bomb blast aimed at U.S. troops in Naples. And Japanese police last fall arrested another Japanese Red Army member, Osamu Maruoka, as he attempted to re-enter Japan.

Police did not say whether Mr. Shibata's arrest was connected to any of these earlier incidents, although some sources said tips from the United States or South Korea helped Japanese police find him. Officials said they found Mr. Shibata, who was using a passport in the name of a man who moved to North Korea several years ago, through a pre-Olympics program of intensified checking of exits from and entries into Japan.

Mr. Shibata — or yet another person using that false passport — made several trips to Hong Kong and Europe since August, 1986, returning to Japan unchallenged each time, the police said.

They were reported to be still investigating how and when Mr. Shibata first returned to Japan. South Korean officials said they fear other members of the original hijacking band may have left North Korea and may be preparing to sabotage the Olympics.

Nine Japanese radicals hijacked the JAL jet in 1970 as it flew over Mount Fuji from Tokyo to Fukuoka, Japan. The jet stopped in Fukuoka and then was forced down in Seoul by South Korean forces just before flying into North Korean airspace.

After three days of negotiations at Seoul's Kimpo airport, the hijackers freed the passengers in return for a Diet member who served as hostage. The jet then flew to Pyongyang, where the Diet member was soon released.

The leader of the group, Takamaro Tamiya, recently sent a letter to Japanese media calling the past 18 years "just a preparation for a new fight." Members of the group also wrote that Seoul should not be allowed to host the Olympics alone. The whereabouts of others in the group are unknown.



A Palestinian man in Gaza waits while an Israeli soldier checks his application for a new identity card.

Israel Issues New ID Cards in Gaza

By Joel Brinkley

GAZA, Israel-Occupied Gaza Strip — Thousands of Palestinians grumbled and sweated, but most seemed resigned as they stood in long, slow-moving lines on Tuesday to comply with the army's new order that they turn in their old green identity cards for new pink ones.

Every adult Gazan, more than 400,000 people, will have to exchange their cards over the next few weeks as part of Israel's latest attempt to stifle the five-month Palestinian uprising.

"We've learned from trial and error," a senior Israeli Defense Ministry official said. "But I wish we had done this from the beginning. Then maybe the uprising wouldn't have gone so long."

Until now, the army has used an iron fist against rioters while also summarily arresting more than

7,000 other Palestinians believed to be involved in the uprising. Those have been the most important elements of the government's strategy.

But in the last few weeks the Israelis have also begun using what the senior defense official called "administrative steps" that are intended to "exhaust the interest of the great majority of the people to continue participating."

As examples, Israeli authorities are now aggressively collecting back taxes that ordinarily might be overlooked. Palestinian merchants now must pay steep fines for importing goods to the occupied territories without a license — a regulation that was routinely ignored before.

Anyone applying for marriage, divorce, or birth certificates must clear any outstanding government fines and obligations first.

And on Tuesday the government began the grandest of its "administrative steps" — forcing every adult Gazan to trudge down to army headquarters and exchange his Israeli identity card.

"They have to be clear that they are under Israeli law, Israeli government," Major General Yitzhak Mordechai, head of the army's southern command, explained as sullen Palestinians streamed past him toward the lines.

Scrawled on fences and buildings all around Gaza City were threats written in Arabic, presumably from the uprising's leadership, aimed at anyone who complied with the government order.

The United States vetoed a UN Security Council resolution on Tuesday condemning last week's Israeli sweep into southern Lebanon. Reuter's reported from New York. The vote was 14 to 1, with no abstentions.

For three weeks, their lives changed. The girl's mother was an excellent cook. Mr. Kauffmann said, and their diet improved dramatically, with meat and vegetables served frequently.

One night, they are disguised as women and moved to another house, five minutes away, and then they were returned to Beirut, in coffins, after taking more tranquilizers. The food deteriorated and the nights became cold; they were not supplied with enough blankets, Mr. Kauffmann recounted.

One day in February 1987, Mr. Fontaine saw through the keyhole of their room a new hostage, a big man he thought to be Terry Waite, the special envoy of the archbishop of Canterbury.

There were more movements, always in the trucks with the boxes and the coffins. For eight months, the three French hostages shared two mattresses in a country house, chains on their feet even during sleep.

On the morning of May 4, 1988, a Wednesday, an abductor told Mr. Kauffmann "Hahaha," which means "hahaha," and ordered him to gather his clothes.

"What do you mean?" Mr. Kauffmann said he asked the jailer. "Liberty," the man answered, according to Mr. Kauffmann's account.

Mr. Kauffmann was offered a shower, a haircut and a handshake by one of his abductors. An elevator took him down from the last building, and he was placed in a waiting Mercedes.

A few minutes later, Mr. Fontaine arrived and sat next to him. Then, Mr. Carton, they stopped several times to change drivers, until finally arriving in front of the Summerland Hotel in Beirut.

A voice shouted in French: "French Intelligence. Get out of here in the name of God." And the escorts were chased away.

The ordeal was over. A few hours later, the three men were on a flight, on their way home to France.

THREAT: U.S. Warns Arafat

(Continued from Page 1)

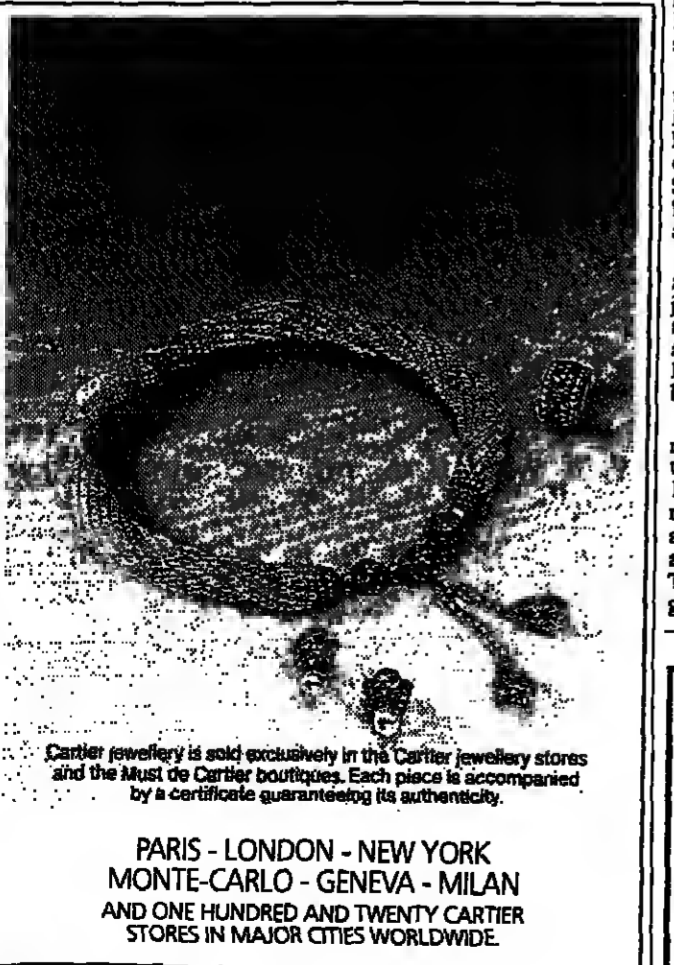
stinian guerrillas attacked American targets.

Mr. Arafat read from a document that PLO officials said was delivered by an unnamed Arab country for the United States. The document, which was made available in Baghdad, denied any American involvement in Mr. Wazir's assassination.

"It has come to our attention that the PLO leader, Yasser Arafat, may have personally approved a series of terrorist attacks against American citizens and facilities

abroad, possibly in retaliation for last month's assassination of Abu Jihad," the document said. "Any possible targeting of American personnel and facilities in retaliation for Abu Jihad's assassination would be totally reprehensible and unjustified. We would hold the PLO responsible for any such attacks."

In his testimony, Mr. Murphy also called the secret Saudi purchase of Chinese ballistic missiles for use against Iraq a "mistake" that would not enhance Saudi security. "But we don't see it the same way they do," he added.



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General Returned To Buenos Aires

BUENOS AIRES — A former Argentine general facing trial for human rights violations has arrived here after being extradited from the United States.

Carlos Guillermo Suarez Mason, 64, was taken away by security forces after arriving aboard an Argentine airliner from San Francisco, where he had been imprisoned pending the outcome of extradition hearings.

Mr. Suarez Mason is wanted for kidnappings, torture and 39 murders allegedly carried out under his orders when he was commander of the 1st Army Corps in 1976-83.

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DEATH NOTICE The International Herald Tribune regrets the death of Marcel TALLIN, former Vice-President and Advertising Director of The New York Herald Tribune, European Edition. The burial will take place at 2:30 p.m. on Wednesday May 11 at the Valleeux Cemetery in Bandol, France.

FRANCE: Mitterrand Names Moderate Leftist Rocard as Prime Minister

(Continued from Page 1)

sentation, a move that enabled the extreme-rightist National Front, led by Jean-Marie Le Pen, to gain a strong parliamentary voice.

Paradoxically, Mr. Le Pen's growing influence among conservatives is a powerful asset for Mr. Rocard in trying to woo centrists alarmed by the National Front's fanaticism.

Another paradox in Mr. Rocard's appointment is his longstanding rivalry with Mr. Mitterrand, whom he has regularly

opposed in unsuccessful bids to become the Socialists' candidate for the presidency.

In 1981, he criticized Mr. Mitterrand's policies as "archaic." His candidacy in 1985 gradually faded as it became apparent that Mr. Mitterrand had strong party support for a renewed candidacy.

But the two men have frequently been seen together recently as Mr. Mitterrand moved to broaden his own political appeal during the presidential campaign. Mr. Rocard also seems to have mellowed and become less impetuous in criticizing Socialists he considers old-fashioned.

As head of the Fifth Republic's first minority government, Mr. Rocard apparently will be expected to assume the main responsibility for policy, enabling Mr. Mitterrand to position himself slightly above partisan criticism.

While the prime ministership could eventually prove a springboard to the presidency for Mr. Rocard, commentators noted Tuesday that the prime minister often proves politically vulnerable. Recent prime ministers, including

Guerrillas Fire on Kabul, Killing 23

ISLAMABAD, Pakistan (Reuters) — Afghan guerrillas fired 17 surface-to-air missiles at Kabul on Monday evening, killing 23 persons, the official People's Radio in Kabul said Tuesday in a report monitored here.

The broadcast said 28 persons were wounded by missiles that struck several places in the Afghan capital.

The Soviet news agency Tass said Monday night that 11 persons were killed and 12 were injured in the attack, which came less than a week before an estimated 115,000 Soviet troops are scheduled to begin leaving Afghanistan.

Sinhalese Marxist Rebels Sign a Pact

COLOMBO, Sri Lanka (Reuters) — The Sri Lankan government signed a surprise peace agreement Tuesday with the Sinhalese Marxist rebel group that the police have accused of trying to kill President J. R. Jayawardene. The group promised to surrender its weapons.

The national security minister, Lalith Atalathumudali, said he lifted a five-year ban on the Janatha Vimukthi Peramuna, or People's Liberation Front, which is accused of killing more than 260 people in the past eight months.

The group, which opposes Mr. Jayawardene's pact with India to end a Tamil rebellion, agreed to end political violence and surrender its weapons to Buddhist monks by May 29.

Rights Group Accuses Burma Army

BANGKOK (NYT) — Burmese Army units have been indiscriminately killing and torturing members of the country's ethnic minorities, according to an Amnesty International report to be published Wednesday.

Although many of the incidents have taken place in areas where ethnic insurgents have flourished for decades, the report by the London-based human rights group stresses that "none of the killings or torture by government forces took place in the context of actual combat." It says that troops appeared to be abusing civilians at will.

The report, compiled from interviews with 60 cases of what the organization calls "extrajudicial executions" of ethnic Karen civilians who were rounded up in their homes or fields. Ethnic Mon and Kachin civilians also reported cases of forced labor, torture and death at the hands of Burmese counterinsurgency units.

Spanish Workers Clash With Police

BILBAO, Spain (Reuters) — Laid-off shipyard workers fought with the police, built barricades and cut railroad lines along Spain's northern coast on Tuesday to protest the restructuring of the industry, the police said.

In Gijón, two firemen suffered burns as they tried to extinguish a bus fire started by protesters. Workers blocked roads with lampposts and several were hurt in clashes with riot policemen. The police charged protesters who cut a railroad line and a road in El Ferrol, a port badly hit by unemployment.

Other clashes were reported in the Basque city of Bilbao, where the police have occupied the state-owned Enxakiduna shipyard after weeks of daily battles between workers and security forces. Several thousand workers have been laid off under restructuring plans for the shipbuilding industry.

Reagan Ambivalent About Pardons

WASHINGTON (AP) — President Ronald Reagan indicated Tuesday that he had not ruled out pardons for Oliver L. North and John M. Poindexter, former national security aides indicted in the Iran-contra affair.

Mr. Reagan was asked if he had definitely ruled out the possibility of pardons for the two former White House aides. He replied, "No." He did not elaborate, but he spoke with unusual emphasis.

The columnist Carl Rowan, reported Monday after interviewing the president that Mr. Reagan had effectively ruled out pardons before trial of any Iran-contra defendants and said the president would probably be out of office by the time the case was decided. Mr. Reagan's spokesman, Martin Fitzwater, asked to reconcile this report and the "no" Tuesday said, "It means there's been no decision."

Beirut Calmer in Uneasy Cease-Fire

BEIRUT (NYT) — There was a lull Tuesday in fighting between Muslim Shiite groups in Beirut's densely populated southern suburbs after an uneasy cease-fire was arranged by Iranian and Syrian mediators. But the calm dissolved several times as firing broke out between the pro-Syrian Amal militia and the Iranian-backed Hezbollah, or Party of God.

The rocket and machine-gun exchanges, however, were not as bad as the previous fighting. There were no immediate reports of new casualties. The police said as many as 140 people had been killed and 500 wounded since the battles for control of the suburbs broke out Friday.

Committees of Syrian military officers, Iranian officials and representatives of the rival militia groups tried to stabilize the truce but were unable though to get the combatants off the streets. Heavily armed men stayed at their barricades in violation of the cease-fire accord.

Yugoslavia Dismantles a Drug Ring

BELGRADE (Reuters) — The Yugoslav police said Tuesday they had smashed a drug smuggling ring stretching from Turkey across Western Europe and had arrested 42 heroin traffickers.

A senior police officer, Ivan Trutin, said the group had smuggled an estimated 150 kilograms (330 pounds) of heroin from Turkey through Yugoslavia to Europe over the past two years. He said the operation was Yugoslavia's greatest success in the war against drugs.

The arrests, which began in January, were made in Pristina, in the province of Kosovo, where the group also had their own drug processing laboratory, Mr. Trutin said.

For the Record

The White House has named Christopher Ross to be U.S. ambassador to Algeria, succeeding Craig Johnston. Mr. Ross is a veteran Foreign Service officer who has held posts in Morocco, Libya and Lebanon. He served in Algeria from 1976 to 1979 as public affairs officer and from 1979 to 1981 as chief of mission. (Reuters)

The Anglican archbishop of Cape Town, Desmond M. Tutu, who was scheduled to receive an honorary degree from Tulane University in New Orleans this weekend, canceled the appearance Monday, citing the school's refusal to divest itself of interests in U.S. companies in South Africa. (AP)

President Andrei A. Gromyko of the Soviet Union became the first member of the Politburo to visit Romania for almost a year when he arrived in Bucharest on Tuesday. (AP)

Syria and Ireland have agreed to establish diplomatic relations at ambassadorial level, the Syrian Foreign Ministry said Tuesday. (Reuters)

Truckers Extend Channel Blockade

DUNKIRK, France (Reuters) — Truck drivers extended a blockade of Channel ports to Dunkirk and Ostend, Belgium, on Tuesday in protest of a three-month strike by British seamen, officials said.

Hundreds of truck drivers have already blocked ferry berths at Dover and Calais over the British stoppage, which has severely disrupted Channel freight traffic. Truck crews in Ostend blocked ferries for six hours before agreeing to end their protest after talks with the Belgian ferry operator RMT.

A company spokesman said sailings had resumed for cars, buses and foot passengers. "Everything is running normally," the Belgian operations director, Jean Carlier, said by telephone from Ostend. The trucks remained stranded at the port, however, because striking British seamen were refusing to let freight off vessels arriving in Dover, he said.

Finance Minister Emilio Colombo of Italy and union leaders negotiated an end Tuesday to a long pay dispute during which custom officials refused to work overtime, backing up freight at border points. (AP)

مكازم التحصيل

هكذا من الأصل

Regan's Sizzling Book on His Boss Could Burn Republicans



Joan Quigley, the astrologer whom Nancy Reagan has consulted.

By Steven V. Roberts
New York Times Service

WASHINGTON — Donald T. Regan's explosive book has brought a whole new meaning to the term "Star Wars," and the sounds of battle continue to echo through the capital.

Mr. Regan's book, "For the Record: From Wall Street to Washington," published this week by Harcourt Brace Jovanovich, lays out in a detailed and highly critical way how Nancy Reagan used astrological advice to help shape the president's schedule.

The book by Mr. Regan, former chief of staff to President Ronald Reagan, has caused a great deal of comment and joking in Washington, but it could have serious political repercussions for Republicans. Some political analysts say it

could affect the election campaign this fall by holding the president and his wife up to ridicule, diminishing their political stature.

"They've been making jokes about him for awhile," said Wilson Morris, an aide to Representative Jim Wright of Texas, a Democrat and speaker of the House of Representatives. "This is the final straw that will turn him into a laughing-stock."

Leslie Dach, a spokesman for Governor Michael S. Dukakis of Massachusetts, the leading Democratic candidate for the White House, asserted that Vice President George Bush faces a problem as he presses his Republican campaign for the presidency: "How does he campaign as his own person while trying to remain loyal to Ronald Reagan?"

"Events like this make that balancing act more difficult," Mr. Dach said. "Loyalty to the president may have been the overriding issue to Republican primary voters, but voters in the general election need more of a reason than that to vote for the vice president."

Mr. Bush has tried to deflect the issue with humor, saying he does not read his horoscope and would not know where to find one in the newspaper.

Pete Teeley, a spokesman for the vice president, said that the Democrats "will try to pounce" on the issue but will be doing so out of weakness.

"They have very little to criticize on the economy," he said. "They're going to take what they can get." Mr. Teeley added that it was "too

early to tell" whether such attacks would be effective.

In his book, Mr. Regan writes that Mr. Bush was surprised when Mr. Regan told him in February 1987 about the astrologer, Joan Quigley, and her influence on the president's schedule.

"Good God," he quotes Mr. Bush as saying. "I had no idea."

Mrs. Regan is believed to have been instrumental in the resignation of Mr. Regan from his White House post in early 1987.

Martin Fitzwater, the president's spokesman, tried Monday to discount the impact of the Regan book, saying, "These are all interesting fun and games here in Washington, and people like to read about it, but it doesn't influence people in government or people in other countries who are making major policy decisions."

'I Don't Go In for Pop Astrology'

New York Times Service

SAN FRANCISCO — Joan Quigley said she "didn't really think about" her potential influence on world affairs as Nancy Reagan's astrologer when she helped guide Mrs. Reagan's life decisions in telephone conversations between her San Francisco home and the White House.

"I do all my clients the same," Ms. Quigley said Sunday. "It's something I do as a matter of course."

Ms. Quigley defined herself as an "exclusive" astrologer, not the sort with a storefront or a listing in the Yellow Pages. "I do very few people," she said, "and only people I find extremely interesting in their career or position. I don't take ordinary people."

"I'm not anyone that goes in for pop astrology," she continued. "I'm a technician and a very serious one, and very quiet about what I do."

T. Regan, President Ronald Reagan's former chief of staff, that describes Mrs. Regan's relationship with and dependence upon a personal astrologer.

Ms. Quigley, the author of several books and a regular on "The Mary Griffin Show" in the late 1970s and early 1980s, said she met Mrs. Regan through Mr. Griffin. Mrs. Regan and the television talk-show host share the same birthday, July 6, Ms. Quigley said.

AMERICAN TOPICS

Flying Opens Doors To Wilds of Alaska

Alaska has two classes of people, Hal Spencer writes in The New York Times from Anchorage: those who fly and those who do not.

"For those who do not fly, Alaska is a place with a limited road system often clogged by snow in the winter and maddeningly slow motor-homes in the summer," he says. "It is a place of shoulder-to-shoulder salmon fishing on stretches of river reachable by vehicles."

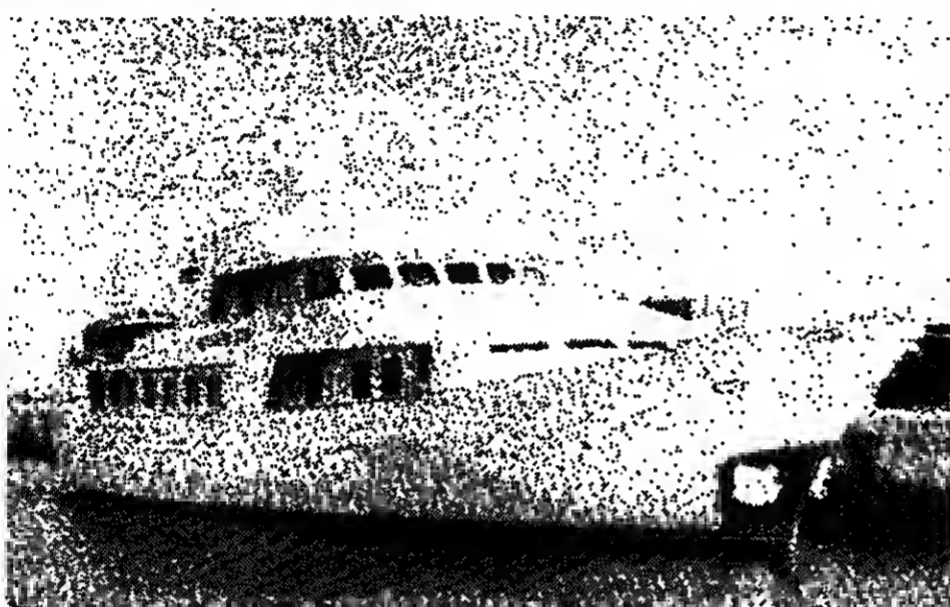
But for those who do fly, Alaska lives up to its reputation, as "the wild, unspoiled land of bears, bald eagles and solitude." The Federal Aviation Administration says Alaska has 9,600 airplanes and almost 11,000 licensed pilots among its 530,000 inhabitants, eight times as many pilots and 15 times as many planes per person as the rest of the country.

"Take a 10-minute flight out of Anchorage and it'll take you a week to walk back," says Joe Wilbur, 63, a bush pilot who runs an air taxi service with his two sons. "So much of Alaska is boggy and so much is vertical. The only way over it is by air."

Of course, "the mobility enjoyed by Alaska pilots has a downside, so to speak," Mr. Spencer reports. The FAA reported 170 small-plane accidents in Alaska last year in which 21 persons died, "and that was not an unusual year for accidents."

Notes About People

James Brady, the White House press secretary wounded in the attempted assassination of President Ronald Reagan in



AN EXPENSIVE HIGH — The 133-foot Ark Royal tied up Key West, Florida, after it was impounded by the U.S. Coast Guard under a tough new "zero tolerance" policy when a small amount of marijuana was found aboard the \$2.5-million vessel. The ship, owned by Tomima Corp. and based in Philadelphia, was released Tuesday after the owner paid \$1,600 in fines.

"1981, remarked in Mollie Dickenson's book about his painful recovery, "Thumbs Up," that he had not been invited to any White House parties since the shooting. Mr. Brady sent a copy of the book to the president, who telephoned to say that he liked it. Since then Mr. Brady and his wife, Sarah, have been invited to the White House Super Bowl party, the president's birthday party and the recent state dinner for Prime Minister Brian Mulroney of Canada.

At the age of 51, Morgan Freeman, who was in the original cast of the off-Broadway play "Driving Miss Daisy" and is now on Broadway in "Gospel at Colonus," says he would like to sail his own boat around the world, but will never give up acting. "I can't think of anything else I want to be doing. Anything else would be work."

Short Takes

The U.S. Supreme Court, sanctioning a procedure used in most states, has ruled unanimously that parents who are delinquent in court-ordered child-support payments may be jailed unless they can prove they don't have the money. The court agreed that the state would bear the burden of proof in criminal cases — but not in civil proceedings where jail was used to force compliance with an obligation.

Matchmaking would be dog owners with the proper dog is the part-time pursuit of Gil Escontrias, a Los Angeles policeman. For a \$150 fee, Mr. Escontrias searches out canine companions for clients. The cost of the dog is extra. Mr. Escontrias, 29, first evaluates the customer's personality, way

of life and finances before recommending specific dog breeds and sizes. One satisfied client is his boss, Lieutenant George Rering, who was matched up with the perfect police dog: a German shepherd.

Now that Warner Books has won the right to publish the sequel to "Gone With the Wind" with a \$4.94 million bid, sources say the company might have to sell 250,000 hardcover copies and three million paperbacks to break even. If sales fall short, Warner executives will have one consolation: Laurence J. Kirschbaum, the company president, said they will be "the first to know what happened to Rhett and Scarlett," the first novel's star-crossed lovers.

Arthur Higbee

White House Backs Bid To Cut Tax Exemptions

By Gary Klott
New York Times Service

WASHINGTON — Despite protests from museums, hospitals and hundreds of other not-for-profit groups and institutions, the Reagan administration has endorsed congressional proposals to tax more types of income-producing activities carried on by tax-exempt organizations.

The plan, drafted by a subcommittee of the House of Representatives, would end the tax-free status of mail-order sales, discount travel programs, health clubs and a wide variety of commercial ventures that have long been run by charitable and social service organizations.

The administration endorsed the proposal Monday.

No one has projected how much money the government might raise, but the taxes are expected to bring in no more than a few hundred million dollars.

Advocates of the change say the issue is fairness, not revenue. They complain that small businesses are at a disadvantage in competing with not-for-profit groups.

Some of the proposals stipulate which types of income from a given activity would no longer be considered tax-exempt and which would.

Under one proposal, an art museum could continue to operate an in-house gift shop and earn tax-free income from the sale of exhibition guidebooks and general texts on art history but would have to pay tax on sales of decorative items, such as jewelry, and on mail-order sales.

Earlene L. Causey, a travel agent in Baytown, Texas, and national director of the American Society of Travel Agents, testified Monday that tax-exempt groups were increasingly offering travel and tour services. Because of their tax-exempt status, she said, they are able to offer tour packages for 22 per-

cent less, on average, than commercial travel agencies.

"Even a little unfair competition is still unfair competition," she told the subcommittee. "And, believe me, we are facing a virtual stampede that must be fenced in fairly."

Monisthor Andrew McGowan, vice chairman of the board at Mercy Hospital in Scranton, Pennsylvania, and a representative of the American Hospital Association, protested the proposal, however.

"Any drastic changes in the tax law that would adversely affect hospitals' ability to raise revenues through all legitimate means could have serious implications for the future health care of our nation," he said at the hearing Monday of the House Ways and Means Committee's Subcommittee on Oversight.

Since 1950, tax-exempt organizations have been required to pay tax on income-producing activities that are not "substantially related" to their charitable purpose. But the law is vague about what is "substantially related."

2 Killed as a British Jet Crashes Near Hannover

The Associated Press

HANNOVER, West Germany — A British Tornado jet crashed while on a training mission Tuesday, killing its two air force crew members, the military said.

It was the second fatal accident for the British in West Germany since Friday. The Tornado crashed in an empty field on the outskirts of the village of Anklam, 160 kilometers (about 100 miles) west of Hannover. On Friday a British helicopter burst into flames after one of its rotors hit a leading ramp at an air show in Hannover.

Suicide Is Linked to BBC Illnesses

LONDON — A BBC service engineer was found dead after apparently blaming himself for an outbreak of Legionnaires' disease at the BBC's London offices, police said.

Don Best, 42, manager of development for BBC radio, was found slumped in his car in Stansted, north of London, on Monday. Police said he had left a note for his wife and children saying he felt responsible for the outbreak, which has infected 20 people at the BBC's Broadcasting House headquarters, seven of them seriously.

Doctors suspect 44 more people

of having the disease, which is carried by bacteria in water droplets and has been known to flourish in air-conditioned premises. A BBC spokesman said Mr. Best was not responsible for the maintenance of the cooling tower that is thought to have spread the bacteria. The spokesman said health experts had now declared the BBC premises completely safe.

Legionnaires' disease takes its name from an outbreak that killed 29 people at a meeting 12 years ago of the American Legion. Britain's worst outbreak of the disease was at a Midlands hospital in 1985, when 28 people died.



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France Is Centrist

For the Status Quo

François Mitterrand's triumphant reelection as president of France was a vote for a very competently managed status quo. It is a measure of the transformation of French politics in the 1980s that the Socialists have become the party of continuity.

A Mandate to Lead

What a difference from François Mitterrand's first presidential victory seven years ago. Then a specter of communism alarmed France's allies, some prominent businessmen left the country.

Another Ego-Book

Washington is not a city of small egos, but every now and then a true proper pigeon struts across the stage and becomes part of the standard of comparison.

Other Comment

Yearning to Breathe Free

War, famine and oppression have always forced people to flee from their homes. But today's refugees are more numerous (roughly 12 million) and harder to resettle than ever before.

There have been real costs imposed by the swing away from the original leftist experiments. The unemployment rate in France remains stuck at more than 10 percent.

ing him his greatest strength. But en route to his triumph he created some obstacles for himself. He promoted the fracture of the right, giving Jean-Marie Le Pen's racist National Front its first foothold in Parliament.

Another Ego-Book

ment, which we sense he regards as a plush man's locker room. His famous suggestion that women could hardly be expected to concern themselves with throw weight.

Other Comment

Yearning to Breathe Free

leaving his place of habitual residence." The commissioner should keep a changing register of the groups who most need asylum. Tomorrow it might include, as well as Tamils and Punjabis and Lebanese, Communist ex-apparatchiks who would otherwise be hung from lampposts in Estonia.

A Severe Case of Bad White House Aides

By Jim Hoagland

PARIS—The American presidency is being ravaged by a bad case of aides. President Reagan's political immune systems are at the mercy of former assistants eager to vindicate themselves and to rake in large book advances by humiliating the man they once served.

at 1600 Pennsylvania Avenue; that is a fairly constant feature of all large bureaucracies. Instead, the shock is in the extent to which people with limited experience in government affairs insinuate themselves into senior White House positions and then begin substituting themselves whenever they can for the president or cabinet officers.

Reykjavik summit meeting). Mr. Deaver, Mr. Speakes and Mr. Stockman were precisely those officials who were most trusted by Mr. Reagan and by the reporters with whom they dealt to give a lively portrait of the president at work.



A President Is Worth the Sum of His Appointees

By Haynes Johnson

WASHINGTON—After Warren Harding's landslide presidential victory in 1920, one of his political fixers boarded a train in their native Ohio and headed for Washington.

change, Governor Michael Dukakis of Massachusetts. Foremost in the debate is the continuing embarrassment over the stewardship of the Justice Department by Attorney General Edwin Meese.

the day after the Iran-contra congressional committees began their celebrated but inconclusive hearings amid pledges of full administration support in determining the truth about that shameful and nationally damaging story.

Gorbachev Needs a Kremlin That Hears the People

By Alex Goldfarb

NEW YORK—By praising the Soviet record on human rights in a recent speech in Chicago, President Reagan acknowledged that small but significant progress in this area has taken place under glasnost.

to begin the dialogue with the government on these issues are met with hostility and repression. Human rights monitors in Moscow, most notably the Press Club Glasnost of Lev Timofeyev and Glasnost magazine of Sergei Grigoryants, are subject to petty harassment, economic pressure and unfair attack in the official press.

owners or lets more Jews go, he will get more applause in the West. But he has a long way to go to achieve his stated goal of "socialist pluralism."

Don't Fault Reagan for His Soviet Switch

By Stephen S. Rosenfield

WASHINGTON—President Reagan is having trouble finding a consistent voice in which to talk about the Soviet Union. He socked it to the Kremlin in the familiar old style in April, but in May—summit month—he has been showing an unaccounted broad-mindedness, acknowledging some of Mikhail Gorbachev's advances in human rights, even acknowledging some American failings.

In the longer run it will depend on whether Moscow is reaching not just for benefits of state but for moral parity: for self-respect and for the respect of others in meeting certain internationally accepted but also Russian-based standards of civility and law. Were this to happen, none of us would have trouble speaking of the Soviet Union in a consistent voice.

100, 75 AND 50 YEARS AGO
1888: New Texas Capitol
NEW YORK—The authorities of Texas have accepted the new Capitol at Austin, built by the Forwell Syndicate (to replace a structure that burned down) and it will be formally dedicated on the 16th. President Diaz, of Mexico, and the Governors of various States have been invited to attend the ceremony.

Poland Has No Choice But Reform

By Abraham Brumberg

NEW YORK—For the moment the crisis in Poland is receding. But Wojciech Jaruzelski can hardly sigh with relief. To most Poles, the unrest is proof that he has failed to deliver on his promises of economic and political reform, and his recourse to force is a chilling reminder of past methods used to suppress unrest.

The situation will improve only if the government institutes radical political and economic reforms. But it is frightened by change and its own hard-liners. As long as those fears persist, no real progress can be expected.

As one of their officials told me by telephone: "The strikes were started neither by us nor by Solidarity but by a new generation of workers fed up with government promises."

The critics have urged the government to concentrate first on increasing the quantity and quality of production. Prices should not be raised on consumer products, which punish the most disadvantaged part of the population, but on luxury and capital goods.

1938: Shot Misses Carol
BUCHAREST—An attempt on the life of King Carol was made today while the sovereign was attending a military ceremony on the occasion of Romania's Independence Day, according to reports circulating here tonight (May 10). The reports are conflicting. While all agree that a King, some deny that it was aimed against the monarch. The official version of the incident is that a police official was pushed as he was entering an automobile and as he was being hand on his revolver at the time, his hand went off accidentally and the bullet struck his foot. Despite official reserve, the belief is prevalent here that the shot was fired at the King.

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Managing Dir. U.K.: Robin MacKichan, 63 Lang Acre, London WC2. Tel. 836-4902. Telex: 262009
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مركز الأصيل

OPINION

Let Us Not Forget These Captive Nations

By A. M. Rosenthal

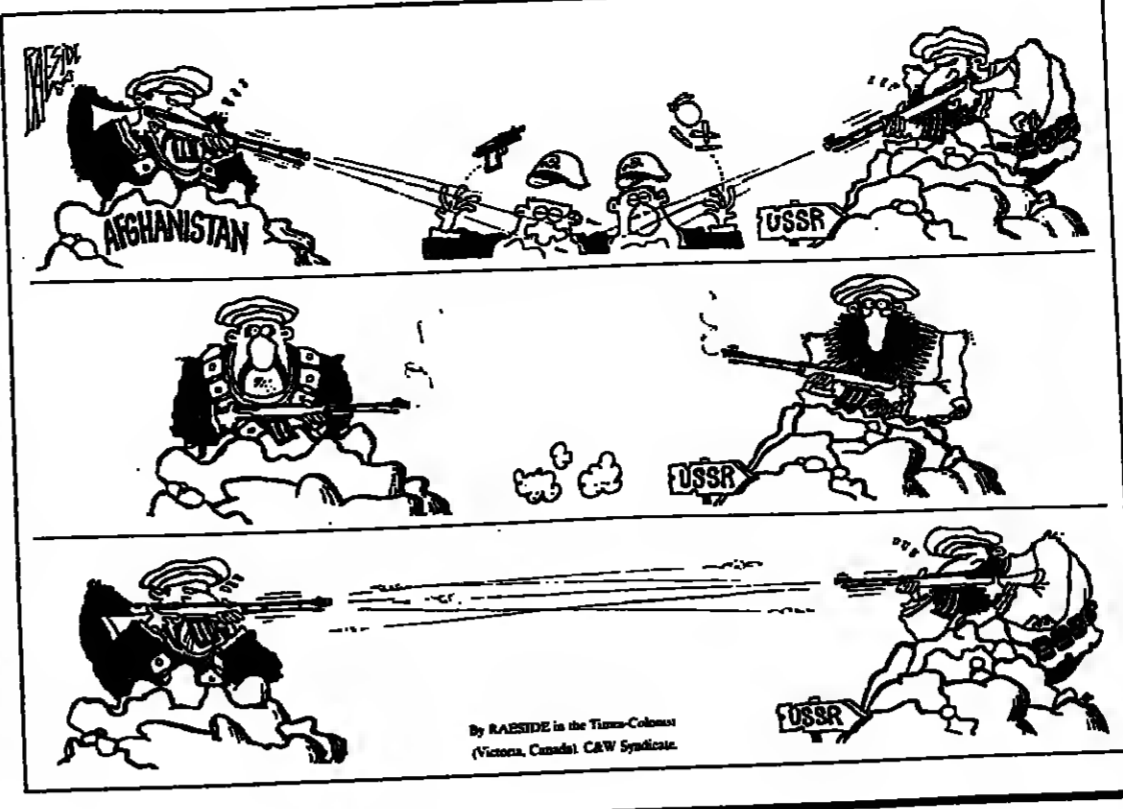
NEW YORK — The essence of what is going on in Poland, the root reality, is plain to see and is known to every Pole. But outside Poland, in the states and analyses and political dissections, it is almost never mentioned anymore. Why is that?

Poland is a captive nation. Once, not long ago, that was known not only to Poles but was acknowledged by the free nations, a fact accepted as a fact. That is the root, and from it grow almost all of Poland's economic troubles and political unease, today as in the past four decades.

ON MY MIND

So Poland is captive still, as are the other nations of Eastern and Central Europe: Czechoslovakia, Bulgaria, Romania, Hungary, Estonia, Latvia, Lithuania. The last three, the Baltic states, have been annexed and share the fate of the other Soviet "republics." The other countries are still sovereign. The other nations exist within a Communist national structure. They have some flexibility but know that Soviet power stands between them and any attempt to leave the system or even seriously challenge its foundation — Communist Party rule.

quixotic to bring it up any more. Another reason is that Mikhail Gorbachev is making changes in the Soviet Union — not yet in political or governmental structure, but still important. In the West, the expectation rises that the Soviet Union, the captor, will lead the way to reform in the captive nations. Perhaps, but there is no sign that Moscow will allow change to the point where Soviet control of the captive nations is threatened. And that is exactly the point to which real reform would lead.



By RAEBIDE in the Times-Colombian (Victoria, Canada). C&W Syndicate.

Graduation Is a Party

By Leslie H. Gelb

ANN ARBOR, Michigan — "Oh, say, can you see..." The anthem begins with the usual whisper, until the singers feel their individual voices are lost, until almost all are trying the difficult high notes at the end, until the 35,000 or so voices fill the huge stadium that sits like a crater in the side of a hill. A small plane materializes with a

MEANWHILE

streamer. "Congrats, Annette Ferber — Love, Mom and Dad." The sun is so bright it almost sparkles as students, parents and teachers settle in for graduation at the University of Michigan. The day, last Saturday, seems very special for the pockets of Asian families, many perhaps first-generation Americans, some perhaps marking this rite of democratic passage for the first time. And half the Ph.D.'s are of Asian extraction. Yet many others, representing a second or third generation of college graduates, seem almost to take the day for granted. To them, it is not so much a celebration as a joyful party.

Now the government is asking more work from its people, eliminating subsidies, raising prices. It meets opposition from workers. They do not trust the government, which is asking for changes to rectify its own blunder and abuse. An imposed government cannot com-

Hollow Laughter in Poland

ONE of General Jaruzelski's problems is that he needs the hearty cooperation of the people to restore the economy — but he needs to restore the economy to put heart into the people. Calls for yet more sacrifices in return for jam tomorrow evoke hollow laughter, and finally strikes. There are the makings of yet another tragedy here. The only reasonable way out is surely for General Jaruzelski to invite prominent dissidents like Solidarity leaders to unconditional discussions about Poland's future. A policy that will consider anything but the obvious looks positively perverse in the age of glasnost.

All the President's Tatlers

The pieces of the puzzle surrounding the most disastrous U.S. presidency in many years are finally falling into place. First we learned not only that Ronald Reagan's spokesman made up "quotable" quotes so that he would not appear detached and unresponsive, but that the president did not even realize that words were being put into his mouth. Now comes the revelation that the Reaganites relied on astrologers' advice to schedule important meetings and make "unimportant" decisions.

The Laws of Nations

Regarding "U.S. Rebuffed in World Court" (Kiosk, April 27). It is interesting to read that "the United States has rejected arbitration, staying U.S. law must take precedence over international obligations." I always understood that international treaties and agreements, duly signed by authorized representatives, would in fact become integral part of the national law after their ratification is decided through the established procedure of parliamentary approval.

Letters to the Editor

Understanding Pakistan: Having just returned from one of my frequent visits to Pakistan, this time on business, I came across Linda Bird Francke's opinion column "Between the Pakistani Walls a Veil Falls Over One's Mind" (Meanwhile, March 23). I was shocked by the writer's total misunderstanding of Pakistan and its people. I run a company that trades in power plants, electronics and other technology. As a European woman I have learned to love Pakistan — its culture, its traditions and above all its people. I feel as if I were coming home whenever I arrive in Islamabad, Lahore, Peshawar or Baluchistan.

Your Oxford Summit. For three days this September, world business and academic leaders will meet at Oxford. One of them should be you. The occasion is the first annual International Business Outlook Conference sponsored by the International Herald Tribune and Oxford Analytica Ltd. The subject is the world. In three days, in small seminar groups, participants will review the current political, economic and social forces shaping the global business climate.

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Gorb...

Report Backs Carbide On Sabotage at Bhopal

LONDON — A U.S. consulting agency, reporting Tuesday on the 1984 toxic gas leak that killed at least 2,000 people at Bhopal, India, backed Union Carbide's contention that the disaster was caused by sabotage.

A report presented on Tuesday to a London conference by Ashok Kalelkar, an Indian-born engineer with Arthur D. Little Inc., said tampering by a disgruntled employee at the Bhopal pesticide plant caused the accident.

The agency was retained by Union Carbide to write an independent report on the disaster, which was the worst industrial accident in history.

It occurred in December 1984, when toxic gas clouds swept across the central Indian city of Bhopal, killing at least 2,000 people and injuring 200,000.

Mr. Kalelkar said evidence showed that an employee hooked up a rubber hose to a storage tank and introduced water, which caused the emission of toxic gas when it interacted with the methyl isocyanate in the tank to form carbon dioxide.

"It is clear that the incident was caused by the entry of water to the tank through a leak that had not been connected directly to the tank," he said in presenting the report.

The intention was "contamination and spoiling of the tank's contents," Mr. Kalelkar said. He added that plant employees knew that water and methyl isocyanate did not mix.

The interaction formed a build-up of carbon dioxide, followed by a rapid temperature rise and major release of toxic gas. Mr. Kalelkar said the tank's pressure indicator had been removed and a wet water hose found near the tank.

The whole operation could have been completed in five minutes, he said.

Union Carbide has argued sabotage in its defense against the Indian government, which is suing the U.S. company for \$3.3 billion in damages. The case is still in litigation.

The Indian government accused

45 Killed in Blast In Mine in China

BEIJING — A gas explosion killed 45 persons working in an illegal coal mine in southern China on Friday and three miners were still missing, Xinhua news agency reported Tuesday.

The small, one-shift pit was run jointly by a farmer and the government of Houchang town in Guizhou Province but had been refused an operating license because of dangerous conditions and a lack of skilled workers, the agency said.

Local authorities had ordered the pit to close on several occasions after an explosion killed two workers there in 1986, the agency said.

Foes Press Gandhi to Eject Sikhs From Shrine

By Steven R. Weisman
New York Times Service

NEW DELHI — Prime Minister Rajiv Gandhi's government came under pressure Tuesday to eject dozens of armed Sikh extremists from the Golden Temple of Amritsar after a six-hour gun battle at the shrine between the militants and the police on Monday.

At least five persons died and five were injured Monday afternoon at the Sikh religion's holiest shrine. It was the most violent incident at the temple since 1984, when soldiers stormed the shrine to attack Sikh radicals and hundreds of people died.

[The militants inside the temple fought gun battles again Tuesday with the police and troops ringing the shrine, Reuters reported from Amritsar, quoting witnesses. Heavy firing broke out in the evening between gunmen inside the vast temple complex and police outside in sandbag bunkers. There were no reports of casualties.]

Udasbir Singh Rode, who was restored as head priest of the temple in March after being jailed by the government, and other high-ranking priests went to Amritsar on Tuesday but the police refused to let them enter the shrine.

[About 800 people left the temple after the authorities promised to hold their fire for two hours. This apparently left only the separatist gunmen in the shrine.]

A small group of newspaper reporters was trapped inside during the clash Monday. They said Tuesday that the shooting began when the police tried to stop Sikh militants from building fortifications at a private dwelling outside the temple compound. The reporters said militants on the temple roof opened fire first, wounding a top police official.

Among the dead was a temple attendant and four civilians who lived nearby.

On Sunday, 32 persons died in



CITIBANK A TARGET IN INDIA — Police officers step through debris outside a Citibank branch office in central New Delhi after a bomb exploded inside on Tuesday, killing one man and injuring 14 persons. There was no claim of responsibility, although speculation focused on Sikh extremists. Officials of Citibank, the largest U.S. bank, said they had no idea why the company might be a target.

state of Punjab in various incidents, including an attack by Sikh gunmen at a Hindu wedding that killed 13 and injured 26.

In Parliament, Mr. Gandhi and his aides came under increasing attack from the opposition for the recent policy of allowing Sikh extremists to use the temple as a sanctuary and base, much as they did in the months before the 1984 raid.

Among the radicals at the temple in recent months have been several priests who were imprisoned as suspects in earlier killings but were recently released by the government in an effort to start a dialogue with the radicals.

Top officials said Tuesday that for the time being the policy of allowing the extremists to stay at the temple would continue.

"We are waiting and watching right now," one official said. "We are viewing their actions as provocations to get the government to overreact at this sensitive period. But the government's response will be a measured one."

The officials pointed out that Mr. Rode, the head priest, recently said publicly that Sikh demands

Dining Out

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FREE INFORMATION

FROM INTERNATIONAL INVESTOR IX

Herald Tribune
Published With The New York Times and The Washington Post

The latest information from the distinguished companies listed in this section are available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page before June 8th, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

AMETEK

AMETEK, INC. (NYSE/AME)

A manufacturer of high tech instruments, motors and materials for industry, AMETEK had steadily increasing sales last year, ending with a record fourth quarter and the highest sales in its history. This strong demand has continued into 1988 as new orders reached record levels and AMETEK announced a plan to spin-off 14 of its manufacturing divisions and — perhaps by mid-year — distribute the new corporation's shares to its stockholders.

BANQUE SCANDINAVE EN SUISSE

A Swiss bank providing both private and institutional clients with a comprehensive range of investment and banking services, and focusing on global portfolio management in Geneva and London.

The main events of 1987 were the opening of a branch in Zurich, access to the trading floor of the Geneva Stock Exchange, and the purchase of a minority interest in Tuffier et Associés in Paris.

The value of the bank's four investment funds is now listed daily in the IHT. Despite the October fall in the world's stock markets, taking 1982 as a starting point, the compound annual growth of the Initiator equity fund averaged 14% in Swiss francs and 19.8% in U.S. dollars. For the BSS-Bond Fund, the average was 9.2% and 14.8% respectively.

Net profit for 1987 rose to CHF 13 million, and total assets to CHF 1'641 million.

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The McDonald's System is the largest foodservice organization in the world. The Company, its franchisees and affiliates operate 10,000 McDonald's restaurants, each offering a limited menu of high-quality food, which can be part of a well-balanced diet. These restaurants are located in 47 countries around the world. The System has pioneered food quality specifications, equipment technology, marketing and training programs, and operational systems that are the standards of the industry throughout the world. McDonald's motto of Q.S.C. & V. translates into Quality food products; fast, friendly service; restaurants known for Cleanliness; and a menu that provides Value. Q.S.C. & V. — McDonald's promise to customers every day around the world.

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These three international investment companies form part of the Dutch Robeco Group, one of the world's leading investment houses. Their combined portfolios of blue-chip equities (Robeco), growth oriented stocks (Rolinco) and bonds (Rorento) were worth US\$10.5 billion at end-1987. Respective 1987 dollar performance results were 10%, 9.4% and 33.2%. Average annual dollar performances over the past 5 years have been 24.3%, 20.7% and 17.1% respectively.

For further details of our uniquely low management costs (0.19% - 0.32%) and easy access to all Robeco Group companies through a Robeco Geneva Account, send for the combined 1987 Robeco/Rolinco/Rorento Annual Report today.

Saab-Scania

The Saab-Scania Group manufactures automotive and aerospace products: passenger cars, trucks and buses, commercial and military aircraft, missiles and satellites. The Group also develops other advanced products in the fields of electronics, optics, sensors, image processing and energy technology. We employ 50,000 people in locations in Sweden and in 30 other countries.

Earnings have improved for the eleventh year in succession. In 1987 Group sales were SEK 41,000 m with a profit of SEK 3,600 m. The pre-tax return on capital employed was 23.1%, solvency (equity/asset ratio) was 50%. Investments in fixed assets and R&D amounted to SEK 4,125 m, equivalent to 14.8% of sales. For a copy of the Annual Report 1987, please write to: Saab-Scania AB, Corporate Communications and Public Affairs, S-581 88 Linköping Sweden.

SANDOZ

Sandoz, with sales of S.Fr. 8,979 million (up 7%) and earnings of S.Fr. 627 million (up 16%) in 1987, is a specialized manufacturer of chemical, pharmaceutical, crop protection products, seed and nutrition products.

Headquartered in Switzerland, Sandoz is a research oriented group with worldwide operations. The company spent S.Fr. 805 million on Research & Development in 1987, most of it was in the pharmaceutical area.

Sandoz enjoys a superior financial strength achieved through excellent performance. With year-end 1987 liquid assets accounting for more than 25% of total assets.

GROUPE SEB

The SEB Group is the leading manufacturer in France and Europe of small domestic appliances and household goods. It is also the number one producer worldwide of non-stick cookware and bakeware, pressure cookers, electric fryers, and a world leader for steam irons and toasters. It has well recognized brand names such as CALOR, SEB and TEFAL in France and TEFAL in foreign markets. The SEB Group has a clearly defined strategy: concentration on key products, internationalization and innovation. Consolidated world sales for 1987 amounted to 3,743 billion FF (up 8% over 1986) of which half was abroad. Net income was up 49% to 164 million FF.

مكاتبنا في القاهرة

Gorbachev's Reforms Worry Soviet Workers, but Not Much

By Bill Keller
New York Times Service
ILYICHEVSK, U.S.S.R. — Mikhail S. Gorbachev's new economic reality visited this Black Sea port city last year, passing like a tremor through the long stable lives of longshoremen, crane operators, mechanics, clerks and others.

Early in the year, port executives informed workers that, in keeping with the new Soviet drive for profit and efficiency, 434 of them would be dismissed, retrained for different jobs or pushed into retirement.

Anxious rumbles swept through this city not far from Odessa: So this was the bright future Mr. Gorbachev called perestroika, or restructuring — no vodka, no meat and, now, no jobs.

"It was so unexpected," said Mikhail Matiyets, a truck driver, who took a cut in wages. "It was a shock, really."

Serafima Gorozhankina, a technical librarian who found her library "organized" out of existence, said: "Everybody was afraid. Nobody knew who would be on the list."

The port personnel director, Pyotr G. Sibalo, repeating the anxieties of workers raised to think of the employer — the state — as a lenient parent, said, "In some cases I was close to tears myself."

But in the end, what many feared would be a painful upheaval was almost an anticlimax. For this was a Soviet-style layoff, in which cold-blooded economic sense gave way in the realities of a longstanding

Everyone displaced was offered another job, with no loss of benefits. The few workers who complained

Last of three articles.

about their new places were given jobs more to their liking.

Yuliyana Serebrinskaya, offended at losing his job as a mechanic, sued in court to get his job back. And he won. Workers who stayed in their old jobs were given new promises of job security.

Profit took a back seat to labor peace. For every ruble the port saved by the cutbacks, it spent four rubles on generous pay raises designed to keep the work force contented.

Mr. Gorbachev's economists tell him that if he is to lift the Soviet Union to a modern standard of living and make it competitive in the world, the country will have to begin loosening the safety net of low and subsidized prices, job guarantees and cradle-to-grave benefits that stifle initiative.

In principle, Mr. Gorbachev agrees. But he contends that people should be rewarded for their work performance and for their initiative, not simply for showing up — and that society should not coddle those who refuse to pull their weight.

But the ruthlessness of the marketplace violates the sense of justice and equality reinforced by 70 years of Soviet rule.

The Soviet people expect, as a matter of basic right, something most economists believe is impossible; that perestroika should bring them a better life but without risk and without discomfort.

In Ilyichevsk, a city erected haphazardly around a new cargo port in the 1950s, the company is the Minister of the Merchant Marine Fleet. Known as Morflot. Those who do not work for the port itself work for something related — the maritime technical school, the ship repair yard and the electronics plant built to provide jobs for port workers' wives.

Because of the imported goods the sailors bring in and because of the gentle Black Sea climate, life is somewhat better in the city than in other Soviet regions. It is immeasurably better than the grinding poverty of the nation's villages.

As in much of the country, newcomers must wait 10

certifies she is trustworthy to be let out of the country. "If they agree that I have a good reputation, then I can go," she said.

"You see why we were so concerned" when word of the layoffs spread last year, Mrs. Gorozhankina added. "We receive practically everything from the port."

In such a system, more money is not necessarily the key to a swift and dramatically higher standard of living. It cannot buy a better apartment — only patience or privilege can bring better housing.

Money is, in the sure, an essential lubricant in the Soviet system of bribery and "blat," or pull. A hospital

worker got more cash in his pocket, and had to pay the real value of his housing, his medical care, his children's kindergarten?

"Then it would be not socialism, but capitalism," the director replied without hesitation.

The reluctance to take on greater risk and responsibility is compounded by a widespread suspicion, reinforced by decades of unfulfilled promises, that things will not really get better after they get worse.

Perhaps when Mr. Gorbachev talks of the illogic of price controls — where bread is so cheap, he says, that one sometimes sees children using a loaf as a football — people get his point.

But when he vows that ending subsidies will be painless, because everyone will get compensatory pay increases, they are skeptical. They already see prices creeping up as a result of a partial deregulation of farming.

Mr. Gorbachev's initial calls last year for "radical price reform" caused a panic reaction, hoarding and anxious letters to the press, so the Soviet leader agreed that state controls on consumer prices would not be lifted before 1990, despite the advice of his economists that price controls hamper other aspects of his economic program.

Nothing frightens Soviet workers quite so much as the specter of unemployment, and not just because it means being cut off from a reliable source of material benefits. In the Soviet Union, a job is not only guaranteed by law but is also compulsory, a nation where someone without work is officially labeled a "parasite."

Soviet officials insist that unemployment on any significant scale is not an immediate danger.

The country has a chronic manpower shortage exaggerated by the vicious cycle of the welfare state: Workers have had little reason to exert themselves because they could not be dismissed. So factories needed extra workers around to make sure the work got done.

Even if the average Soviet worker began to produce at the levels of capitalist industrial nations, the country has many underutilized factories that could be run on two or three shifts, many working women who would be happier to stay home and tend their children and a desperate need for people to provide basic services.

But repairing the Soviet economy will require massive dislocations. Soviet economists predict that 16 million people will have to be relocated or retrained by the year 2000, as the country tries to trim the fat from its factory work force and create a service industry.

At Ilyichevsk, the layoffs last year entailed a six-month process of meetings, job placement, hand-holding and negotiations.

Port officials prepared the lists of which sections must be cut, and sent them to meetings of the worker collectives at each division of the port, where the workers themselves were told to choose who would go and who would stay.

Some workers say the cuts gave the remaining workers a new attitude toward their jobs, at least for the present. The pay increases, workers say, had much less to do with this than the whiff of expendability.

To some Soviet workers, economic restructuring looks like no vodka, no meat and, now, no jobs.

to 15 years for a separate apartment. In the meantime they live in shabby dormitories where single workers double up and share communal kitchens and showers, and where a family of five may occupy a room of 10 by 15 feet (3 by 4.5 meters).

As in much of the country, meat and fruit are scarce except in the unregulated, supply-and-demand farmers' markets, where a chicken or a slab of stewing beef costs several times the price in state stores and where a precious lemon sells for the equivalent of \$5 in late spring. Perestroika has done little so far to brighten the life of consumers.

Ilyichevsk has one of the new cooperative cafes that have sprung up under recent laws permitting private enterprise, and there are several more in nearby Odessa, but "you know what the prices are in those places," said Lyudmila Matiyets, a warehouse clerk, who has enough trouble keeping two growing daughters in clothes.

But if life in Ilyichevsk is not luxurious, it is at least heavily subsidized and relatively secure, assuring most residents a basic level of comfort with little regard for an individual's talent or effort. The necessities of life are provided as perquisites accumulated on the job.

Serafima Gorozhankina, who has worked at the port 25 of her 53 years, recited the benefits that have accrued to her and her husband, a seaman, as a result of this system.

Their apartment, two cozy rooms in the port complex, takes only 27 rubles of their monthly 350 rubles in combined income, including rent, all utilities, and a telephone. The apartment is small, but it is theirs for life unless they move from Ilyichevsk.

The couple's basic medical care in the port clinic is free, as are the nursery schools and kindergartens their son and daughter attended. They can ride to work on port buses — transportation throughout the country is heavily subsidized — and vacation in port-owned homes or on travel vouchers provided at discount by their trade union.

If Mrs. Gorozhankina, who has traveled to Bulgaria and Romania, wants to go abroad again, it is the Communist Party committee at her workplace that

patient expects to pay the nurse a few rubles for use of an extra blanket, and someone languishing on an apartment waiting list may advance his position with a well-directed gift.

But for most workers, what counts is not so much a higher wage as staying put and hanging on.

This is the boat that Mr. Gorbachev has started to rock.

His strategy is to reduce the subsidies and benefits, while giving more money and more good things to spend it on. In time, he hopes, people will begin to understand the connection between harder work and a better quality of life.

One approach is to reorganize the pay system in each workplace so the eager worker is not limited by arbitrary wage norms set by a ministry in Moscow and so that the lazy or otherwise unproductive worker pays a price.

Some workers clearly relish the new opportunities. But many are wary.

As Stanislav S. Mikhalchuk, the Ilyichevsk port director, says, they are still accustomed to the old system, by which "we paid people, to a certain extent, for their blue eyes."

"The hardest thing of all is to make changes in the head," he said, "to teach people that there is a difference between receiving money and earning it."

When Soviet officials talk of tampering with this system of entitlements, they risk the charge that they are straying from basic socialist doctrine. In Soviet parlance, the phrase "human rights" does not mean freedom of speech or emigration; it means guarantees of housing, job security, medical care and so forth.

During a meeting with port officials, Boris Kondratsky, a young official of the district executive committee, raised an obvious question: How can a worker really learn the value of a ruble when most of his necessities are seen as gifts bestowed by the state?

"True, to a certain extent it spoils people," the port director replied. "But it's also one of our advantages." By this, he meant the system enabled the port to hold on to good workers.

But suppose, Mr. Kondratsky suggested, that the

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BP 87

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DAF B.V., of Eindhoven, established early in 1987 after the merger between DAF Trucks, substantial parts of Leyland Trucks, Freight Rover and a number of overseas operations of these companies, made a net profit of D.Fl. 63.1 million on sales of D.Fl. 3.8 billion in 1987. This is 7.8% of the average capital and reserves. In its annual report the company describes the financial results as satisfactory, all the more so because they were attained in a year in which many new products were put on the market and a start was made with merging the hwa companies into a homogeneous unit.

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Masco Industries is a technology-based company whose corporate objective is to achieve above-average growth by utilizing our design, engineering and manufacturing skills to develop innovative processes and products for an expanding number of markets. As we strive to accomplish our objective of increasing earnings per common share over the next five years, on average, at least 20-25 percent annually, we believe we will demonstrate that we are a unique industrial growth company. Masco Industries manufactures custom engineered and specialty products for commercial and industrial customers.

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Nationale-Nederlanden is the largest insurance group in the Netherlands and one of the largest in the world, providing life and non-life insurance services, including reinsurance and related financial services to clients in 20 countries.

In 1987, the Company realized a net profit of Dfls. 703.1 million, up 10.6% over 1986 despite a falling dollar. A more stable dollar and further global expansion warrant expectations for improved revenue and a profit per share of at least equal to 1987.

Reuters is the world's largest electronic publisher. Through the Reuter Monitor network subscribers have access to the largest and most comprehensive real-time database commercially available. Reuters supplies a wide range of services both to business subscribers and to the news media.

It obtains its information from 137 Exchanges and over-the-counter markets, from data contributed by more than 3,100 subscribers in 79 countries and from a network of over 1,100 journalists, photographers and cameramen. To provide a complete picture of Reuters business, the 1987 Annual Report and Accounts is accompanied by a new Products and Technology brochure.

TRANS EUROPE FUND N.V.

Trans Europe Fund — quoted on the Amsterdam Stock Exchange — is one of Europe's fastest growing open end investment funds. It offers the investors a well diversified participation in companies, whose operations are based in the European Community, the Scandinavian countries and in Switzerland. Not only big, well-known companies but interesting smaller ones are included in the Fund's holdings. The management bases its policy on fundamental investment and macro economic research and follows an active and alert investment approach, anticipating future developments with a close view to the effects of Europe's integration. Shares Trans Europe Fund: an effective and convenient way to participate in Europe's future. Information: ABN-de Neuffize International Investment Advisory Company B.V., P.O. Box 669, 1000 EG AMSTERDAM. Telex: 10387 ABNIR NL. Fax: 31-20-294736.

Wolters Kluwer

Wolters Kluwer, formed in 1987 by the merged international publishers Wolters Samsom Group and Kluwer, is based in the Netherlands and has some 120 operating companies in 7 countries and over 7,900 employees. In 1987 sales rose to Dfl. 1,651 mln and net income rose by 16% to Dfl. 88.9 mln. Net income per ordinary share rose by 21% from Dfl. 6.34 to Dfl. 7.69. Main activities of Wolters Kluwer are scientific, information and educational publishing and professional training. In these fields prospects for further growth are favourable. Target turnover in 1990 is Dfl. 2 billion approx., with a net income of about 7% of sales.

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ARTS / LEISURE

'Hay Fever' Lacks the Touch

By Sheridan Morley

LONDON — Of all the classic Coward comedies, as Noel himself once noted, "Hay Fever" looks the easiest but is in fact the most technically tricky to stage.

THE BRITISH STAGE

termed "get the guests," and then depart leaving their self-obsessed hosts as impervious to their absence as they were to their presence.

problem is that Britton, a consummate light comedian and author of an intelligent program note on the importance of playing Coward characters for real, has somehow been unable to pass on any of that wisdom to many of his company.

Googie Withers is a cozy Judith Bliss, deeply lacking the quality of larger-than-life awfulness without which the play fails to make lot of sense, and some of the rest of the cast seem to be recalling earlier performances given in other revivals.

Like the much less familiar "Easy Virtue," dating from the same mid-20s Coward period and now to be seen in a rare revival at the Garrick, "Hay Fever" bombs the countryside English middle classes from within their own barricades.

"One Way Pseudohum," now at the Old Vic 30 years after it was first and last seen in London, is the play that enabled Monty Python to find his Flying Circus.

It is a wondrously anarchic and lunatic farce about a man teaching speak-your-weight machines to sing the "Hallelujah Chorus" in his bedroom, while downstairs his father is constructing a do-it-yourself replica of the Old Bailey only to have its courtroom spring into action before his eyes.

N.F. Simpson's plot was originally and widely misunderstood to have something in common with Ionesco and the European theater of the absurd.

writes, in the tradition of Edward Lear and Lewis Carroll, a peculiar and peculiarly English kind of logical progression so that everything does make sense in its own nonsensical way.

For his Vic production Jonathan Miller, who played the son in the 1964 movie, has assembled a superlative cast, so that when we get into the courtroom with Graham Crowden presiding as the judge over John Savident and John Fortune as rival counsel, and with Peter Bayliss in the dock, we are in fact in the presence of the finest assembly of eccentric comedians in the country.

Tony Nominations

NEW YORK — The musicals "The Phantom of the Opera," "Anything Goes" and "Into the Woods" dominated the 1988 Tony award nominations.

They will compete for best musical of the 1987-88 Broadway season against "Sarafina!"

"M. Butterfly" topped the non-musical categories with seven nominations. It will compete for best play against "Joe Turner's Come and Gone."

ahead of a distinctly sluggish first-night audience that in Simpson we have one of the great underrated comic talents of the playwrighting century.

At the Donmar Warehouse, Declan Donnellan and his inventive cheek by jowl company have a boisterous British premiere of Ostrovsky's "A Family Affair."

the Woods," and Ron Silver, "Speed-the-Plow."

Glenda Jackson's portrayal of Lady Macbeth will compete against Joan Allen, "Burn This," and Blythe Danner and Frances McDormand, both in "A Streetcar Named Desire," for best actress.

Patti LuPone was nominated for best actress in a musical for "Anything Goes." Her competition: Joanna Gleason, "Into the Woods"; Judy Kuhn, "Chess"; and Alison Fraser of "Romance-Romance."

Michael Crawford, the title character in "The Phantom of the Opera," was the favorite to win the award for best actor in a musical.



Chet Baker in "Chet's Romance," in the short-subject competition at Cannes. The 9½-minute film was shot in one day in a Paris studio.

Chet Baker's Romance in Film

By Mike Zwerin

PARIS — Maybe you remember seeing "Swing Romance," with Fred Astaire winning his sweetheart's hand between somersaults by twirling his trumpet with Artie Shaw's band.

One low budget Swedish feature called "Sven Klang's Quintet" told of how the passion of a saxophonist from Stockholm changed the lives of a provincial band of amateurs, as Charlie Parker changed his.

Happier days appear to be here. Insiders sound positive about Clint Eastwood's "Bird," to be premiered at the Cannes film festival on May 18.

This 9½-minute film, composed principally of Chet Baker's rendition of "I'm a Fool to Want You,"

cost less than \$20,000. It is in black and white, not for financial reasons but because the director, Bertrand Févre, thinks "black and white are the colors of jazz."

With a production company named Full Moon Films, Févre considered his first meeting with Baker one Friday the 13th when the moon was full to have been a favorable conjuncture.

The story of "Chet's Romance" — it was shot in one day in a Paris studio — could in itself be a sequence in a Baker biography.

day shoots and last-minute selections. The pathos of the music this life has produced touches people in some special place.

recognizable sound and here he stands pretty much alone right now in that his soulful trumpet and vocal voices are ooc and the same and there it never any doubt who you're listening to.

Thirty years ago, Baker's starry-eyed country-boy good looks were compared to James Dean's — which also turned out to have a certain karmic validity.

His singing made him star material. The girls swooned over this lost skinny kid with the vulnerable voice who looked like he needed a big hug.

Swing and improvisation are indispensable elements in any definition of jazz. Few singers fill this definition. Baker is one of them.

Bay Area Rings to Early Music

By John Rockwell

SAN FRANCISCO — Bustling from cult marginality into the mainstream, the original-instruments movement has attracted greater attention than any other recent trend in the performance of classical music.

At a time when most new music strikes audiences as problematic and when an almost nostalgic historicism is sweeping Western culture, musicians and scholars alike seek a spirit of fidelity to the past.

Today, with its rapidly expanding schedule and its big-time budget (\$600,000 annually and climbing), the Philharmonia is determined to be counted as "San Francisco's second orchestra," in the words of

George Gelles, its first professional executive director. Yet even Gelles speaks of "this intense bonding thing between board and audience and players."

The orchestra was founded by Laurette Goldberg, a harpsichordist from South Bend, Indiana, who came to the Bay Area in 1953 and has taught and played here since.

"We had no money, but I knew this community," she said in her Berkeley home, which doubles as a center called Musicources for early instruments, performances, teaching and socializing.

"Magic happens directly here. There's not a lot of money like there is in L.A., but money is not important. What's important is sympathy and love and passion for music."

Advertisement for St. Regis Sheraton. Text: "You have many places to go in New York. But only one place to stay. But how attractive will her pension be?" Image: A black and white portrait of a man in a suit and tie, looking slightly to the side. Below the image is the text: "St. Regis Sheraton. The quality of its guests is the signature of a great hotel. Fifth Avenue @ 55th Street, New York. The hospitality people of I.T.T. Toll-free in UK 0800-673525. In W. Germany 0150-3535. In New York: (212) 752-4500. Telex: 143268."



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CONVENTION CENTERS IN ASIA

The Major Contenders

WHILE sales staff work to fill their order books, Hong Kong's 409,000 square meter Convention Center, Exhibition Hall and two luxury hotels are soaring above the waterfront.

Taiwan, which already has the largest display hall in Asia, will be opening its own convention center at about the same time as Hong Kong.

Singapore, which launched the 'state-of-the-art' concept, is now considering an even more modern building, while private exhibitors and hotels are also constructing their own huge display halls.

Capitalizing on Olympics publicity, Korea is meanwhile working on its own Korea Trade Center. But is all this effort worth the billions of dollars that are being invested? Mel Hosansky, the editor of *Successful Meetings Magazine*, suggests it should be.

"Asia has really come into the picture over the last five years. The facilities are not yet in line with the best of Europe, but they're certainly getting to that point," he comments.

"You simply can't get better destinations per se than Asian capitals. Once the personnel comes up to par with the facilities, Asia will certainly be the most exciting place."

To deal with the personnel problem, explains Hong Kong's Convention Center manager Jeff Lowery, many key personnel will be recruited overseas.

Cahners, the international exhibition managers, often base their choice of venue on how much freedom they have to operate in a more efficient "Western" style.

Singapore's concessions are particularly appreciated by professional managers. Other countries, like Taiwan, come lower down the planner's list. Taiwan's go-getting technocrat William Luc is smart, aggressive and knows the business. "But," says one manager, "up to a few years ago, Taiwan's customs duties, the red tape, the licensing was a mess." Still, Taiwan is an excellent market. The Taiwanese are ready to buy and buy even as they sell and sell.

Hong Kong lost out in the past because convention halls were limited to the hotels, but now both the Convention Center people and Amy Chan of the Convention and Incentives Department of the Hong Kong Tourist Association feel that the gap is being closed.

But Mel Hosansky feels that 1997 — the year that the colony becomes part of the People's Republic of China — raises questions. "My guess," he says, "is that experienced meeting planners may be booking for 1998 or 1999, but they'll be double booking, just in case."

To Mr. Hosansky, Singapore is a "dull" place as a destination, but the Convention Center is well known, and they're reliable. Korea is a big question mark — but with the Olympic Games and the

World Trade Center opening simultaneously it could prove to be a winner.

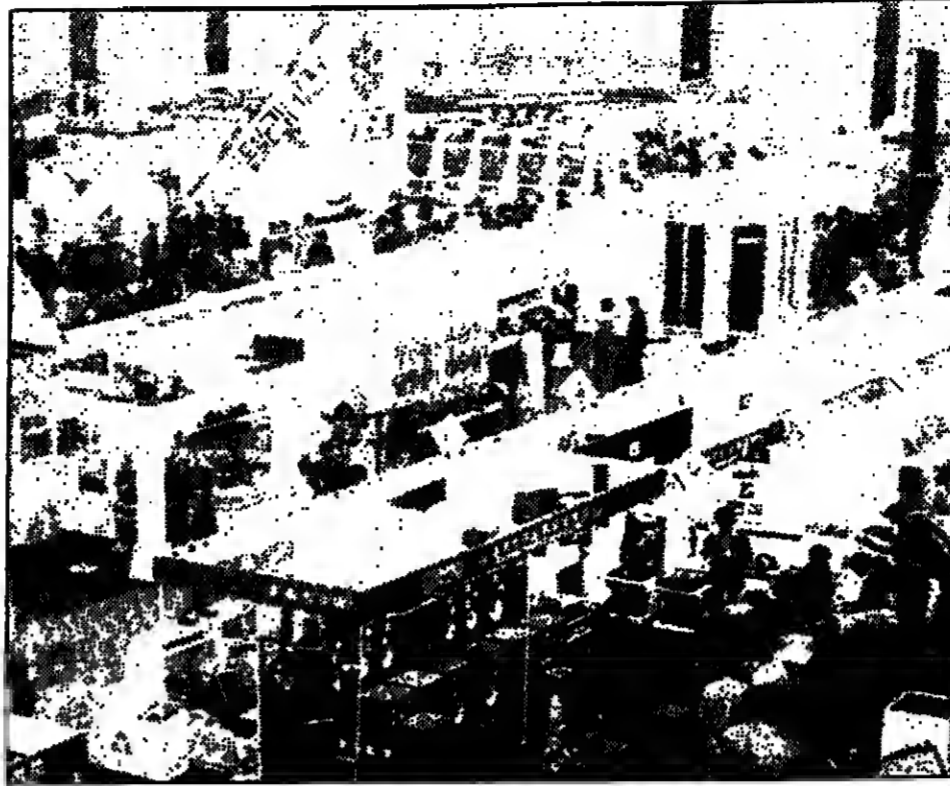
While the big four are clearly the leading contenders, other Asian capitals cannot be discounted. "The hottest place right now is Bangkok," says Mr. Hosansky. "They don't have a single purpose-built convention center, but unless you have a group of more than a few thousand, nobody cares. The price is right, it's accessible, it's exciting."

Kuala Lumpur's Putra Convention Center is nobody's favorite — but if the market is there, people will exhibit. China has good facilities, and more flexibility. "Most important," says Cahner's Kandy Chan, "it has the world's biggest market. Not the richest, but the biggest."

Thailand's island of Phuket has hotels with huge conference halls, while Bali offers an exotic location and the Nusa Dua Hotel with its 500-seat theatre and audiovisual equipment.

Macao is a far cheaper alternative to Hong Kong, and while its Forum Convention Center is rather drab, the Hyatt and Mandarin Oriental hotels have good facilities.

But for international conventions, only the big four can supply what Mr. Hosansky feels is most important: space, airline accessibility, good communications, the English language, and hotel rooms at a (relatively) reasonable price in an exciting location.



"You simply can't get better destinations per se than Asian capitals."

Taiwan: Sustained Growth

AS Taiwan slips from one economic success to another, its four-section World Trade Center embodies the message that the country needs neither the world's sympathy nor official diplomatic recognition.

Since its opening in 1986, Taiwan's Trade Mart has hosted hundreds of exhibitions. The seven-story hall can house over 1,300 booths for displaying anything from yachts, cranes and even mobile homes to jewelry or stationary.

The top story is reserved for foreign countries. The others are crisscrossed with over

2,000 showcase sets for Taiwan's own manufacturers.

One recent exhibitor, Barry Marks, the managing director of an Australian drug-and-sundries company, found the selection almost overwhelming. "There's no such thing as the perfect display hall, and this is almost too big. But I've been here every year, and I inevitably find things that I wouldn't find any other place," he commented.

The second major component of the World Trade Center is its administrative building. With 34 stories above ground and two below, the

building continues the "department-store" concept in a unique way.

As William Luc, executive secretary of the International Convention Center, explained: "If you want to do business with most countries in Asia, the licensing and red tape can be fairly arduous. Here, we have everything under one roof."

"Besides that, we've invited all the trade delegations to Taiwan to locate here. This means that virtually everything can be done almost immediately: consultation, buying, getting import and export

licenses. We try to make everything as simple as possible," he concluded.

On July 1, 1989, the new Taipei International Convention Centre (TICC) will open. The largest building project ever undertaken by Taipei, it covers 11,247 square meters, and includes 12 meeting rooms that can house over 6,000 people. The plenary hall accommodates 3,300 people, two auditoriums will seat a further 2,200, and nine meeting rooms will house groups of from 60 to 400 people.

"We also have the most sophisticated audiovisual equipment," said Mr. Luc. "Six-language interpretation, two studios, synchronized slide and videotape systems, even epidior projectors. In fact, we're the only convention center in Asia with epidior."

The system, which permits satellite communication from anywhere in the world to the conference hall, cost over \$500,000 to install. Further support facilities include a floor of office space for organizers, international telecommunications and even a computerized paging system.

The fourth component of the project is the 1,000-room Hyatt Hotel, due to open in early 1989, about the same time as the TICC. The hotel also has its own conference hall which can accommodate up to 1,350 people.

For all the promise these developments provide, certain problems remain. The first is location. This is scenic enough, but hardly in the center of Taipei.

Rapid Mass Transit system which is in the pipeline for the city. Work has yet to begin on the project, aimed at linking the northern part of Taipei to the central railway station and the eastern end — a total run of 79 kilometers (49 miles).

The second problem concerns the People's Republic of China. Up to 10,000 Taiwanese go to PRC each month. The total cash flow from Taiwan to PRC is up to \$1.2 billion a year. Yet it still seems doubtful that PRC would be allowed to exhibit its goods or even attend international conferences in Taiwan. This is a decided liability for the largest conference hall in Asia.

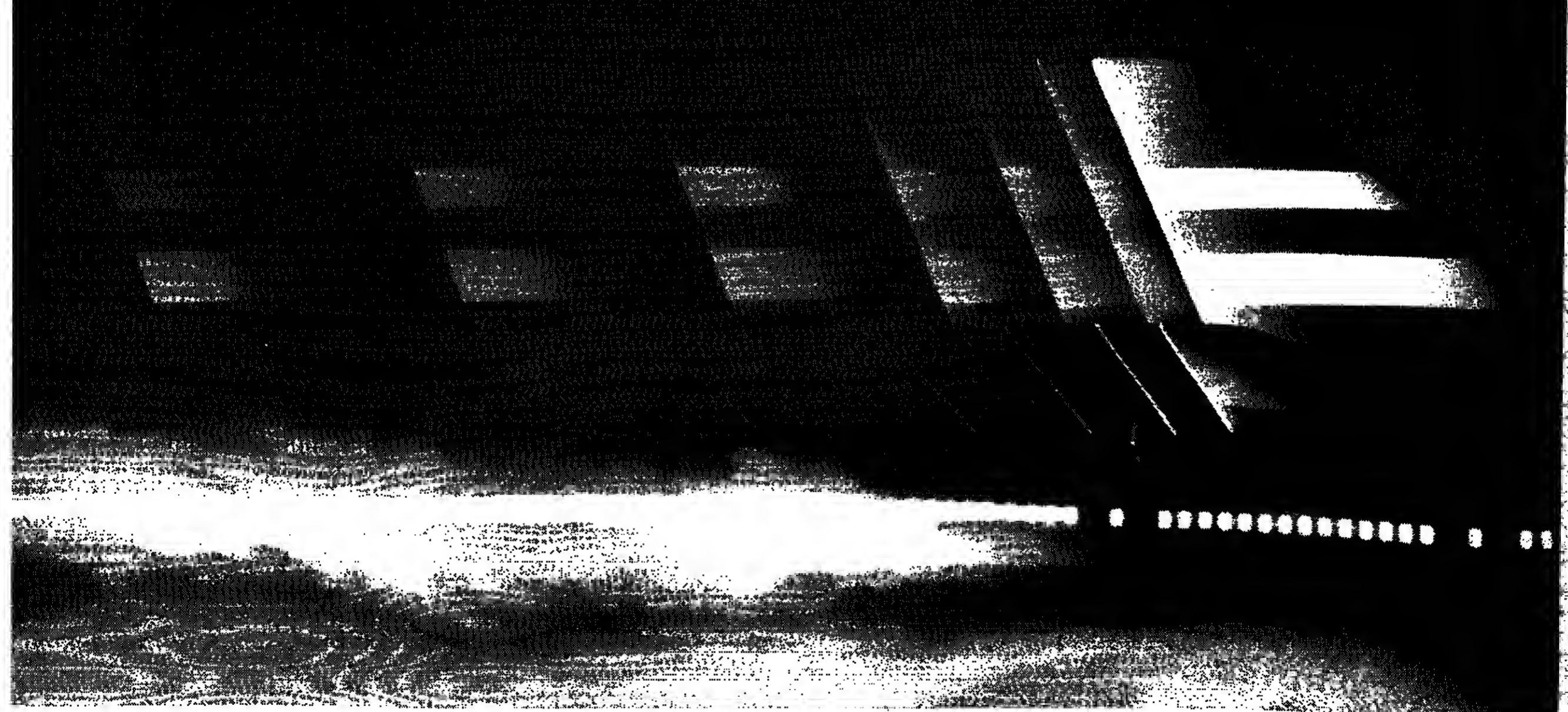
Others question the appeal of Taiwan as a destination. Mr. Luc disagrees. "We are a friendly country, we have a real sense of culture and of course the best museum in Asia. So when international conferences are going to Asia, we feel that we are certainly highly competitive."

Even competitors admit that, architecturally, this complex is without parallel. The 77,000 square meters of the complex, costing upwards of \$500 million, the pink granite convention center, the magnificent atrium of the display center and the hotel with its rooftop swimming pool are stunning.

"The land is going through a regeneration program," said Luc, "and our complex is part of it. We feel that the build-up of this area around the center will do an enormous amount to boost our image abroad."

The Swire Group Ltd

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ADVERTISING SECTION

Korea: Banking on the Olympics

KYUNG-HA Lee, the director of the Hong Kong office of the Korea National Tourism Corporation, recognizes the importance of timing. The Korea World Trade Center (KWTC) is scheduled to open in August and he comments: "The Olympics are absolutely essential in showing Korea at its newest and best. If they are successful, then they will help Korea's new convention center and exhibition hall to be successful as well."

With over 600,000 square meters of floor space in the Yondoong area south of the Han river, the KWTC will provide all the facilities necessary for this booming "little tiger" of a country. It is an ambitious venture with major potential.

The exhibition complex alone will have a total floor space of almost 200,000 square meters. Three large exhibition and display halls, located in the four-story main building and three-story annex, are the main venues for trade fairs. The Pacific and Atlantic Halls

are in the main building, and the Atlantic Hall can be partitioned to form the "Olympic Hall."

This wide, pillarless hall will accommodate up to 5,300 people and offer simultaneous translation facilities. The area will be bonded, so that foreign exhibitors can enter and leave without customs clearance.

The Inter-Continental Hotel has meeting rooms, function rooms and a Grand Ballroom seating nearly 2,000. The 600-room hotel will have a disco, fitness center and a 25-meter swimming pool. In addition, Mr. Lee explains that up to 20 hotels within a ten-minute drive from the center should be operational within the next few years.

The largest building is the 52-floor Trade Tower. This will accommodate the business activities, and will be occupied by trade-related organizations, export associations and about 250 small businesses.

The same complex will house a huge shopping center



Seoul sports complex

and a city air terminal. As the new airport will be over 100 kilometers from central Seoul, the need for this service is self-evident.

While the KWTC, privately owned by the Korea Foreign Trade Association, is obviously

built to the highest standards, it is the Koreans themselves that are the biggest attractions.

"We aren't really a 'little tiger,'" insists Mr. Lee, "but we are definitely a 'can do' society. All Koreans have

learned English, but few have used it until this year. Now we have 'Goodwill Associations,' where people voluntarily work with foreigners. We are starting English sooner in our schools. And we have enough experience to make things work here. If you want a country basically on a par with Taiwan and Hong Kong, Korea is right."

Korea is not yet the most exciting destination in Asia. But those who have visited the country regularly over the past five years note the pervasive style, electricity and, above all, sense of humor and efficiency.

"We were once known as the Land of Morning Calm," says Mr. Lee. "And I think visitors will notice that."

The calm is hidden under tremendous industry these days, but the market is huge in this prosperous society, and conventioners could well find Korea — once also known as the Hermit Kingdom — very open and willing to do business.

Singapore: The Price of Success

ACCORDING to Cahner's Singapore Marketing Director Robert Dunsterville: "We've always felt that Singapore is the exhibition capital of Southeast Asia." So when Cahner's needed to build something special they chose Changi as a perfect site and constructed a purpose-built exhibition center with more than 70,000 square meters (753,000 square feet) of show space.

He comments: "It cost \$8.15 million, which we split with the Singapore Transport Ministry. By holding the Aerospace Show every two years, we can get our money back. But obviously we want to manage other shows at the site."

That might not be as easy as it sounds, for Singapore's image and its future are rapidly changing.

With typical Singapore thoroughness, everything from Bugis Street to the old port are being recreated, as on a movie set, to show the old town. But so many other Asian destinations have the real thing that the "sanitized" Singapore may be less appealing than its go-getting tourist board imagines.

When European or American conventioners and exhibitors come to Asia, they are looking for something new. True, Singapore was one of the pioneers, but they've been so successful in the past years that international groups

are now looking elsewhere.

So far, more hotels, facilities and the Cahner's site at Changi have sustained interest in the area. But last year the government announced a ten-year \$1 billion project to rival Hong Kong and Taiwan.

The Marina Center will create about 80,000 square meters of exhibition space on almost 11 hectares of land. Both the Raffles complex and Marina Square will lend their infrastructure to the project.

Altogether, Singapore has 100,000 square meters of convention and exhibition space in hotels, buildings and the WTC. In 1987, 205,750 people visited them and the number is expected to reach 300,000 by the mid-1990s.

"Singapore," says Cahner's Exhibitions Operation Manager Kandy Chan, "was the pioneer of the purpose-built exhibition hall. They built their World Trade Center (WTC) in 1971, and it's still one of the best."

The 48,000 square meter hall is divided into six separate areas where over 60 shows are held each year. Nine of these international trade fairs have been recognized by the prestigious Union des Foires Internationales.

The WTC building also houses a Furniture Mart with nearly 7,000 square meters of showroom space for local and imported furniture.

In addition, WTC boasts a Convention Center, compris-

ing a 988-seat main auditorium, a 400-seat conference hall and 15 fully furnished seminar rooms.

Further competition is also likely to come from Singapore's other impressive convention facilities. The Westin Stamford and Westin Plaza features the world's tallest hotel with a main ballroom for 3,000 people and 25 purpose-built meeting rooms. The Shangri-la Hotel, which *Architectural Digest* recently described as one of Asia's finest, has a ballroom for 1,400 and nine other conference halls. And, with a capacity of 14,000 and 9,000 permanent seats, Singapore's indoor stadium is also a contender for the exhibition and conference market.

Hong Kong: Destination 1989



"Conventioners spend more than twice as much as bona fide tourists."

ABOUT six months ago, a front-page story in the *South China Morning Post* claimed that the opening of the 409,000 square meter Hong Kong Convention and Exhibition Center (HKCEC) might well be postponed indefinitely. According to this report, Ms. Lydia Dunn, head of the Trade Development Council which owns the site, had suggested that VIPs "delay" their visits until the center was up to standard.

But Jerry Lowery, general manager of the HKCEC, claims the story was, if not a fabrication, at least misleading. The Center, he said, was right on time. It should open with some in-house industrial exhibits in November. In December there will be an international nursing conference and in 1989 — at about the same time as Taiwan's Convention Center — the HKCEC's grand opening.

Indeed, the site on the Hong Kong waterfront in Wanchai gives every appearance of going ahead on time. Rumors still abound as to why the fastidious Ms. Dunn ordered the delay, but officially all systems are go.

The project is certainly technologically advanced, even futuristic. Its major feature is the podium that rises to a height of 55 meters. This houses the HKCEC, ancillary

support areas and hotel lobbies leading to restaurants, offices and service apartments.

On top of the podium, sweeping towers house two major hotels — the Grand Hyatt and New World Harbor View. Each of these also has entrances at street level.

A total of 18,000 square meters are housed in two equal-size exhibition halls, which can accommodate up to 8,000 people. Goods are transported there by eight seven-ton freight lifts and two 45-ton lifts. The latter can carry fully loaded 40-foot-long container trucks directly to the hall for unloading.

In addition to its 1,800 square meter conference hall, the center also has two auditoriums with eight-language simultaneous translation, full theatrical lighting, modular stage systems and audio-visual equipment.

Added to this, two auditoriums/theaters provide comfortable seating for nearly 1,000 people. Another 26 meeting rooms are spread around on three levels.

The five-star 596-room Grand Hyatt with 50 suites, a sports club with two tennis courts, and a total floor area of around 48,000 square meters is clearly intended to offer the height of luxury.

Across the podium, the New World Harbor View will fit 868 guest rooms into ap-

proximately the same area. Both hotels will have direct connections into the Convention and Exhibition Center atriums area. They will also share the rooftop and its unparalleled view of the harbor. The hotels, and site itself, are being managed by New World Development Company Ltd.

To promote these developments a 14-person sales staff has been routing Asia and the world with roadshows in conjunction with the Trade Development Council (which owns the site) and the Hong Kong Tourist Association (HKTA).

The TDC will obviously bring in conventions and exhibitions (even if the shows are their own). The HKTA's Convention and Incentives Department, under its long-time head, Amy Chan, knows the market extensively and has done a thorough job of directing its worldwide offices to promote the new center's facilities.

"Conventioners," she said, "spend more than twice as much as bona fide tourists, they stay twice as long and about 30 percent bring their spouses. Before we could offer only good hotels and the destination. But we weren't able to offer really first-class facilities for multi-thousand-people conferences. This could fill the gap."

At the same time, Hong

Kong politics has become a two-headed specter. The bad side of the magical 1997 date, when Hong Kong reverts to the People's Republic of China as a "special economic zone," is a question that customers invariably raise.

Yet the fact that the People's Republic of China has close to 400 different organizations located in Hong Kong means that the world's most populous market (albeit one of its poorest) is already located here. China does have its own conference halls, but they are certainly inferior to others in Southeast Asia, and Hong Kong clearly meets worldwide standards.

There are also rumors that 1997 is being used as a selling point. The HKTA emphatically and vociferously denies them, but rumors persist. "See Hong Kong now, before it's too late," seems to be the subliminal message.

"Taiwan has a bigger hall, it may be more beautiful in some ways. But we have the most integrated complex, the most functional, and we have Hong Kong," says Mr. Lowery.

We have one group of 4,000 Japanese conventioners scheduled to come here. It's cheaper to board them in Hong Kong for four days than keep them in Tokyo."

"As for location, we're less than 30 minutes from the airport. We have the two hotels on either side of us, and others like the Ramada and Marriott are being erected just a few blocks away."

The bottom line, for Mr. Lowery, is selling "functions, flexibility and destination." As he concludes: "Other convention centers may be marginally larger. But that doesn't sell conferences and exhibitions. Hong Kong as a destination does that."

This advertising section was written by Harry Rohnick.

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NYSE Most Actives table with columns for stock symbol, volume, high, low, last, and change.

Market Sales table showing NYSE 4 p.m. volume, NYSE prev. close, and other market statistics.

NYSE Index table showing Composite, Industrials, Finance, and Utilities indices with high, low, close, and change.

Tuesday's NYSE Closing logo and text: Via The Associated Press.

AMEX Diary table listing various stocks and their prices.

NASDAQ Index table showing Composite, Industrials, Finance, and Utilities indices.

AMEX Most Actives table listing active stocks on the AMEX exchange.

Dow Jones Bond Averages table showing yields for various bond categories.

NYSE Diary table listing daily market activity.

Odd-Lot Trading in N.Y. table showing odd-lot trading statistics.

Dow Jones Averages table showing the performance of the Dow Jones Industrial Average.

Standard & Poor's Index table showing the Standard & Poor's 500 Index.

NASDAQ Diary table listing daily market activity on NASDAQ.

AMEX Stock Index table showing the performance of the AMEX Stock Index.

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices (A) with columns for 12 Month High, Low, Stock, Div. Yld. PE, and Change.

Large table of stock prices (B) with columns for 12 Month High, Low, Stock, Div. Yld. PE, and Change.

Large table of stock prices (C) with columns for 12 Month High, Low, Stock, Div. Yld. PE, and Change.

Late Rally Lifts Prices on NYSE

NEW YORK — Prices on the New York Stock Exchange closed slightly higher Tuesday in slow trading after a late rally pulled the market out of a midafternoon slump and allowed the Dow to break a string of four consecutive losses.

The Dow Jones industrial average, which lost 10.11 points on Monday, rose 6.30 to close at 2,003.65. The index rose about 12 points in the opening minutes but slipped back to show a modest loss before turning higher in the last half hour.

Advances barely edged declines, while volume rose to 131.2 million shares from 166.3 million on Monday.

Joseph Barbel, director of technical strategy at Butcher & Singer Inc., said investors were apathetic. "Investor apathy goes hand in hand with bear market declines," he said.

Mr. Barbel said the market was anxious to see the results of the Treasury's three-part, \$26 billion quarterly refunding.

Four major securities firms — Morgan Stanley & Co., PaineWebber Group Inc., Salomon Inc. and Kidder, Peabody & Co. — said they were suspending stock-index arbitrage trading for their own accounts.

All of the firms, however, said they would continue to carry out index arbitrage trades for their customers.

AT&T was the most active issue, gaining 1/4 to 27 1/2.

Electric was third, off 1/2 to 39 1/2. IBM added 3/4 to 103 1/4. Digital Equipment was down 1/2 to 103 1/4.

Large table of stock prices (D) with columns for 12 Month High, Low, Stock, Div. Yld. PE, and Change.

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Large table of stock prices (K) with columns for 12 Month High, Low, Stock, Div. Yld. PE, and Change.

Large table of stock prices (L) with columns for 12 Month High, Low, Stock, Div. Yld. PE, and Change.

Vertical advertisements on the right margin, including 'Pau', 'Austral', and 'FOR THE'.

Handwritten Arabic text: مكازم الاحل

هنا من أصل

for creative tasks.

Panasonic Office Automation OA

Freeing business people

Panasonic Office Automation OA

Herald Tribune

BUSINESS/FINANCE

WEDNESDAY, MAY 11, 1988

MADISON AVENUE

Australian Firm Pitches, And Catches, 2 Accounts

By PHILIP H. DOUGHERTY

NEW YORK — Mojo New York, a recently established outpost of a large Australian ad agency, has won a major account at Reader's Digest even though it is a latecomer to the competition. The account, for international trade advertising, should bring in billings of about \$2.1 million a year.

Mojo New York has the same brash, smart image of a Paul Hogan in Australian tourism ads.

FOR THE first time in its institutional memory, the 61-year-old Hill & Knowlton, a world-wide public relations concern owned by Britain's WPP Group, went outside the company to fill a high executive post.

Accounts

Christian Lacroix, the French couture house, to Arnel Bickford. The agency will promote three of the designer's divisions — couture, luxe and ready-to-wear — in France, the United States, Spain, Italy, Canada and the Orient.

People

James M. Palumbo been named senior vice president at D'Arcy Masius Benton & Bowles, St. Louis.

Cadbury Holding Cleared

U.K. Allows Stake By U.S. Company

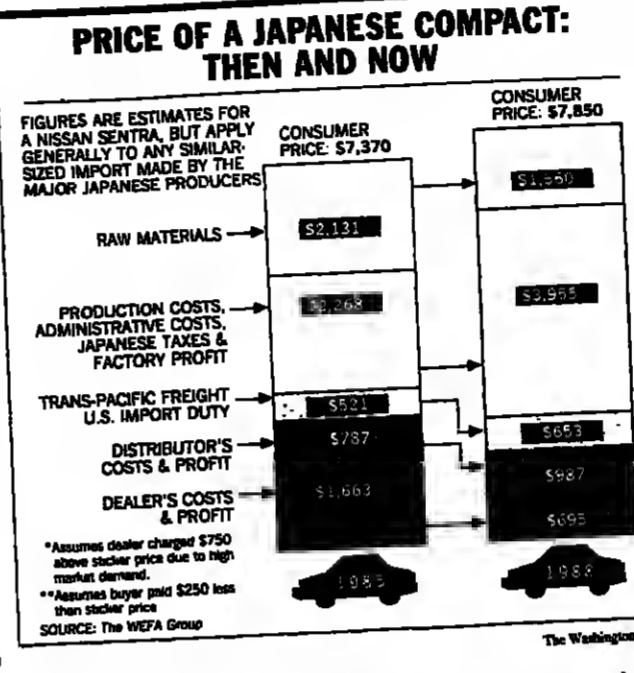
LONDON — The British government on Tuesday cleared General Cinema Corp.'s acquisition of about 18 percent of Cadbury Schweppes PLC, despite growing domestic concern over foreign shareholdings in the country's candy industry.



Hondas bound for the United States, where Japan's car makers face a tougher fight for market share.

Japan's Car Makers Face New Road Consolidation Is Likely Result of Increased Competition

TOKYO — Japan's automakers, the very symbol of the nation's export prowess, have come through a period of wrenching economic change that might have dispatched many of their global competitors.



FIGURES ARE ESTIMATES FOR A NISSAN SENTRA, BUT APPLY GENERALLY TO ANY SIMILAR-SIZED IMPORT MADE BY THE MAJOR JAPANESE PRODUCERS.

Top Brokerages In U.S. Suspend Program Trades

NEW YORK — Four of Wall Street's largest investment banks indefinitely suspended a computerized method of trading securities Tuesday because of widespread criticism that it is injecting uncontrolled volatility into the market and eroding investor confidence.

The suspensions came a week after the New York Stock Exchange placed greater restrictions on program trading, which has been blamed for causing large swings in stock prices for reasons unrelated to underlying values.

Earlier this year, Goldman Sachs & Co., Shearson Lehman Hutton Inc. and Merrill Lynch & Co. said they had stopped use of index-arbitrage program trading for their own accounts.

At first glance, things look fine. The worst of the damage caused by the yen's three-year doubling in value against the dollar appears to be over. To compensate for lower profit when overseas earnings were translated back to yen, export prices had to rise 25 percent to 30 percent over that period, cutting sales in key markets.

Among investment banks, Salomon and Morgan are some of the most important users of index-arbitrage program trading, which utilizes computers to place stock transactions in New York and trade equivalent stock-index futures on the Chicago Mercantile Exchange to profit from fleeting price disparities.

Currency Rates

Table with columns for Currency, Bid, Ask, and other rates for various international currencies.

Table titled 'Other Dollar Values' showing exchange rates for various currencies like the Australian dollar, Canadian dollar, etc.

Table titled 'Forward Rates' showing forward exchange rates for different currencies.

Table titled 'Eurocurrency Deposits' showing interest rates for various deposit types and currencies.

Table titled 'Key Money Rates' showing rates for various financial instruments like Treasury bills, etc.

Table titled 'U.S. Money Market Funds' showing performance metrics for various money market funds.

Table titled 'Gold' showing prices for gold in various locations like London, Zurich, etc.

Lorimar Accepts Bid By Warner

NEW YORK — Warner Communications Inc. and Lorimar-Telepictures Corp., producer of such major television series as "Dallas," said Tuesday they have agreed in principle for Warner to acquire Lorimar in a stock swap valued at \$1.2 billion.

Under the agreement, Lorimar, which is heavily in debt, would exchange each of its shares for 0.415 Warner shares.

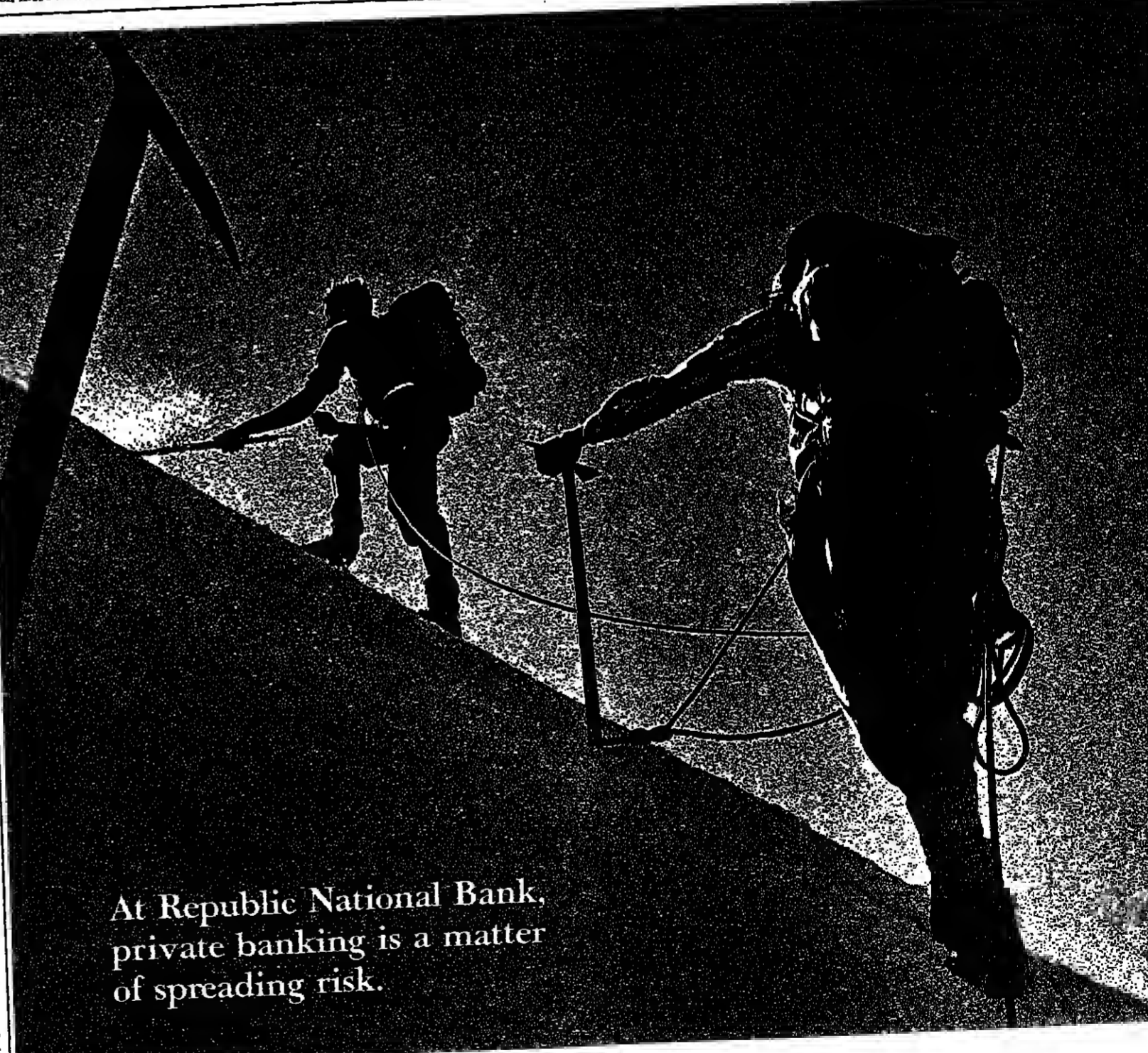
Several conditions are attached to the transaction. For example, Lorimar would be able to terminate the agreement if the average price of Warner's common stock during the specified period before the closing of the merger does not result in a price of at least \$15 a share for Lorimar shareholders.

In that event, Warner would receive \$10 million from Lorimar.

Lorimar earlier rejected a \$770 million takeover bid, for \$17 a share, from Marvin Davis, a Denver investor and the former owner of Twentieth Century Fox Film Corp.

Another condition of the deal gives Warner, a New York-based entertainment conglomerate, an option to purchase 18.5 percent of Lorimar common stock at \$15 a share.

The agreement requires the approval of each company's board of directors, Lorimar shareholders and regulatory authorities.



At Republic National Bank, private banking is a matter of spreading risk.

Risk is a part of everyone's life. Although you cannot evade it, you can avoid it by choosing a partner whose skill and commitment you can trust.

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Tuesday's NYSE Closing

Tables include the nationwide prices up to three hours on Wall Street and on other major exchanges.

Table of stock market data including NYSE, AMEX, and OTC prices for various stocks.

Table of stock market data including NYSE, AMEX, and OTC prices for various stocks.

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Table of stock market data including NYSE, AMEX, and OTC prices for various stocks.

Advertisement for Audi and DeBene Control.

EC Sees Subsidies In Finsider Loans

BRUSSELS — The European Commission on Tuesday warned the Italian government that it considers recent short-term loans to the ailing state-owned steel company, Finsider SpA, to be illegal hidden subsidies aimed at covering operating losses.

U.S. Clears Extradition In VW Currency Case

LOS ANGELES — A U.S. court has cleared the way for the extradition of Hans Joachim Schmidt, the West German currency broker accused of conspiring to defraud Volkswagen AG of more than \$200 million, lawyers said Tuesday.

To our Readers in Saudi Arabia

For office delivery of the International Herald Tribune in Riyadh, Jeddah or Al-Khobar, please contact our distributor in Saudi Arabia: Al-Khazindar Establishment.

Paris Commodities

Table of commodity prices in Paris.

London Metals

Table of metal prices in London.

London Commodities

Table of commodity prices in London.

Advertisement for DM Futures Options.

U.S. Treasuries

Table of U.S. Treasury bond yields.

Japanese Groups Propose to Tax Any Capital Gains

TOKYO — Finance Minister Kiichi Miyazawa has told parliament that the tax policy committee of both the government and ruling Liberal Democratic Party agree that capital gains from securities transactions should be taxed.

Market Guide

Table of market indicators and indices.

Dividends

Table of dividend payments for various companies.

Spot Commodities

Table of spot commodity prices.

DM Futures Options

Table of DM futures options prices.

Advertisement for Personal Investing.

كلنا من الأصل

BUSINESS ROUNDUP

Audi, Despite Sales Rise, to Cut Jobs

MUNICH — Audi AG, one of West Germany's leading automakers, said Tuesday that it would cut 2,000 jobs this year despite record sales in 1987.

De Benedetti Allies Take Control of Italian Publisher

MILAN — An alliance supported by the Italian financier Carlo de Benedetti took control Tuesday of the board of Arnoldo Mondadori Editore SpA, one of Italy's biggest publishers, voting out the vice chairman, Leonardo Mondadori, who had criticized Mr. de Benedetti.

Akzo Settles Fiber Dispute With Du Pont

ARNHEM, Netherlands — Akzo NV and Du Pont Co. announced Tuesday that they have ended their 11-year dispute over Aramid fibers.

CADBURY: Stake Is Cleared

(Continued from first finance page) have been a considerable number of acquisitions of U.S. companies by British concerns.

Nationale-Nederlanden N.V. established at Delft, Nationale-Nederlanden Finance Corporation (Curacao) N.V. established at Willemstad (Curacao).

M&S's Acquisition of Brooks Brothers: Perfect Marriage, or Chalk and Cheese?

LONDON — Marks & Spencer PLC went to considerable expense last week to convince skeptics that its \$770 million marriage with Brooks Brothers would result in a happy, healthy family.

AUTOMAKERS: In Japan, Consolidation is Likely Result of Greater Competition

(Continued from first finance page) suppliers, and suppliers themselves are starting to merge.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders will be held on Thursday, June 23, 1988, 10:00 a. m. at the BASF Feierabendhaus, Leuschnerstraße 47 Ludwigshafen/Rhine, West Germany

PROUD OF OUR PAST... CONFIDENT OF OUR FUTURE. TEMPLETON GROWTH FUND, since 1954.

DAIWA JAPAN FUND Société d'investissement à Capital Variable. 2, Boulevard Royal, Luxembourg.

INVESTISSEMENTS ATLANTIQUES Société anonyme d'investissement. Registered Office: Luxembourg, 14, rue Aldringen.

MARKS AND SPENCER p.l.c. has acquired Brooks Brothers, Inc. from Allied Stores Corporation a subsidiary of Campeau Corporation. The undersigned acted as financial advisor to Marks and Spencer p.l.c. in this transaction.

SONAL INVESTING The annual reports of the above companies for the financial year 1987 and for Nationale-Nederlanden Finance Corporation (Curacao) N.V. also the report of the Trustee are available free of charge to holders of debentures of the office of the first mentioned company of 64 Minervelaan, 1077 PE Amsterdam, The Netherlands.

AMEX Closing

Table of stock prices and closing values for various AMEX stocks, including columns for 12 Month High/Low, Stock Name, Div. Yld., PE, and Close.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 10th May 1988

Large table of international fund prices and quotations, listing fund names, currency units, and prices. Includes a legend for fund types and symbols.

AMEX High-Lows

Table of AMEX High-Lows showing price ranges for various stocks, categorized by sectors like Chemicals, Energy, and Metals.

Floating Rate Notes

Table of floating rate notes with columns for currency, issuer name, and interest rate.

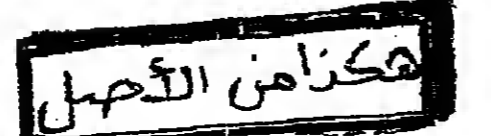
Deutsche Marks

Table of Deutsche Mark exchange rates for various international locations.

Pounds Sterling

Table of Pound Sterling exchange rates for various international locations.

Vertical advertisement on the right edge of the page, partially visible, for 'The Daily Source for International Investors'.



CURRENCY MARKETS

Dollar Weakens in Slow Trading

NEW YORK — The dollar eased on world currency markets Tuesday in slow trading, as dealers focused their attention on this week's quarterly refunding by the U.S. Treasury.

London Dollar Rates

Table with columns for currency (Deutsch mark, Pound sterling, Japanese yen, Swiss franc, French franc) and rates.

above 3.165 DM would deter any push up to 3.17 DM and beyond.

The pound closed at 3.1590 DM. The pound closed at 3.1608 DM Monday.

Against the Swiss franc, finishing at 1.3948 francs after Monday's close of 1.3995 and slipped to 5.6955 French francs from 5.7025.

The British pound had a busier day. But dealers said buyers and sellers were evenly matched and there was no sign of Bank of England intervention to depress the British currency.

Dealers said they expected the pound to remain strong this week although many said the likelihood of Bank of England intervention on Monday.

Several analysts interpreted the move as a sign that the U.S. central bank had decided to edge money rates upwards to dampen inflationary pressures. (UPI, Reuters)

3-Year Notes Yield 8.23%

WASHINGTON — The U.S. Treasury on Tuesday sold \$8.765 billion of three-year notes at an average yield of 8.23 percent.

Accepted bids ranged from 8.21 percent to 8.24 percent, and 30 percent of the bids at the high return were accepted. The average price was 99.725, with 100 representing face value.

The average yield was up from 7.42 percent at the last auction of three-year notes on Feb. 2, and the highest since 8.74 percent on Nov. 19, 1985.

A total of \$25.91 billion in bids was received, including \$1.14 billion in noncompetitive bids from the public. The approximately 3-to-1 ratio of bids to securities sold indicated moderate investor demand for the securities.

The government plans to auction \$8.75 billion of 10-year notes on Wednesday and \$8.50 billion of 30-year bonds on Thursday.

The Treasury projected that for the quarter ending in June it will reduce the federal debt by about \$1.5 billion, the first time a refunding has reduced the national debt since 1981. (UPI, Reuters)

U.S. Paychecks: A Changing Balance

Even as Unemployment Falls, Wages Are Barely Rising

By Louis Uchielle, New York Times Service

NEW YORK — In years past, an announcement that the U.S. civilian unemployment rate had fallen to 5.4 percent would have signaled the coming of big wage increases, sparked by growing competition among employers for a dwindling supply of workers.

Such settlements show how the unemployment rate is no longer as reliable an indicator of wage pressures as it once was.

To be sure, there are pockets of pressure. The best known are at supermarkets and fast-food outlets.

With fewer young people entering the labor force than in the early 1980s, these employers are having problems finding counter workers.

This has pushed up pay to \$5 or \$6 an hour from the \$4 or less that was common two or three years ago.

Those who work in the service sector — particularly in banks, hospitals and some clerical jobs — are also getting bigger wage increases.

Employer resistance to higher wages is considerably greater than it was in the early 1980s, when worker costs rose three times faster than at present.

Similarity, average hourly wages a key measure of how much money workers can count on in paychecks, have risen by less than 1 percent since January, to about \$9.22.

The chief reason for this has been the success of many employers in convincing workers that company survival against foreign and domestic competitors depends on keeping wages down.

A recent contract agreement involving the United Automobile Workers illustrates the ground lost by the unions, which generated the greatest pressure for higher wages until the early 1980s.

But as union membership has fallen to 17 percent of the work force, from 23 percent in 1980, so has the size of wage increases in union contracts.

The 28-month Chrysler agreement, awaiting ratification, provides for annual bonus payments equal to 3 percent of base pay, plus profit sharing, if there are profits in the expiring three-year agreement, the workers also received 3 percent a year. But these increases were folded into base pay, the bonuses will not be.

The base pay of Chrysler workers now averages \$14 an hour and would remain at this level under the new agreement. Base pay, in turn, determines the levels of pensions, overtime and other benefits.

Other trends, too, have reduced temporary workers, for example, is up sharply. So is the number of part-timers who would prefer full-time jobs. These two categories provide a safety valve: temporary workers can be laid off if they push for higher pay, many of the full-timers can be upgraded to full-timers, presumably at the same hourly pay, if labor shortages worsen.

But so-called "labor hoarding" markets are likely to set off sharply higher wage rises, as they did in the 1960s, when unemployment was below 4 percent for four years.

Treasury Aides Support Book That Tells of Early G-5 Pact

By Hobart Rowen, Washington Post Service

WASHINGTON — U.S. Treasury officials have confirmed, in a general way, previously confidential details contained in a new book by a Japanese journalist about the monetary coordination launched by major industrial countries in 1985, including a revelation that the initial accord had been outlined a week before the Sept. 22 meeting in New York's Plaza Hotel.

"Managing the Dollar: From the Plaza to the Louvre," by Yoichi Funabashi, says the Group of Five nations succeeded in driving the dollar down with less than half the intervention money — \$18 billion — committed at the Plaza.

The countries involved were the United States, West Germany, Britain and France. The group was later broadened to include Italy and Canada.

A Treasury official said the book "is both accurate and inaccurate." But its credibility was bolstered by the presence at a conference of David C. Mulford, assistant Treasury secretary, and Richard Darman, former deputy Treasury secretary, both of whom it extensively quotes or cites.

Mr. Darman led a discussion in which he praised the book as "a first-rate piece of work which is — with a smile — 'often accurate.'" The book's central revelation is that a secret meeting of G-5 deputies in London a week before the Plaza session produced what is described as a "non-paper" which contained the agreement that the dollar's value had climbed too high and needed to be pushed down.

The book said the document included an understanding secretly agreed to at the Plaza: The dollar was to be pushed down 10 to 12 percent within six weeks by coordinated market intervention. The United States and Japan each agreed to take 30 percent of the intervention burden. West Germany committed to 25 percent, France to 10 percent, and Britain to 5 percent.

A Treasury official did not deny the existence of the non-paper, but indicated there were multiple versions of the preparatory work.

The book said that when six of the seven nations (Italy did not participate until later) at the Louvre in February 1987 to stabilize exchange rates, they set "target zones" of 2.5 percent to 5 percent above or below dollar values of 153.50 yen and 1,825.00 marks. The G-7 principles have steadfastly denied that target zones exist.

Tuesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in the over-the-counter market.

Table of OTC prices for various stocks including A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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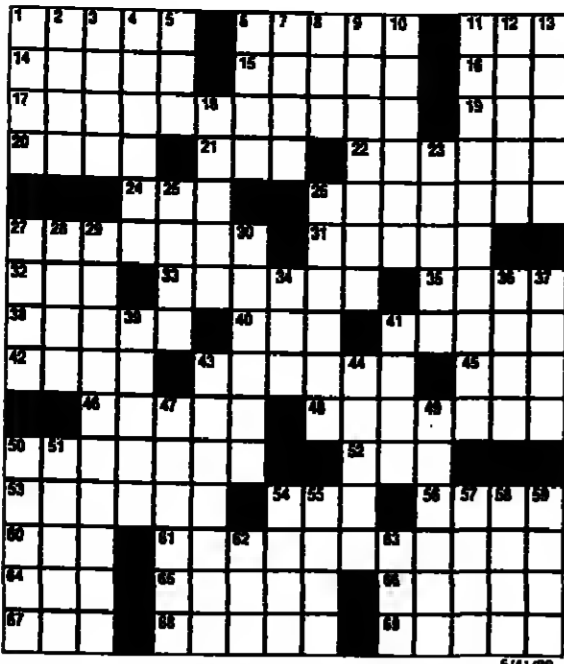
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Tuesday's AMEX Closing. Tables include the nationwide prices as to the closing on Wall Street and do not reflect late risers elsewhere.



- ACROSS**
- 1 Church residence
 - 6 Woman's shawl
 - 11 Singer Davis
 - 14 Woeiful exclamation
 - 15 B.M.L. rival
 - 16 In the past
 - 17 Liza Minnelli's mother
 - 19 Gypsy gentleman
 - 20 She loves to
 - 21 Aitch preceder
 - 22 Old Roman woodland deities
 - 24 Gleason's forced laugh
 - 26 Kind of fever in Washington
 - 27 Sacks together
 - 31 Alpha's opposite
 - 32 Sourdough's quest
 - 33 Ends
 - 35 Syria, to Moses
 - 38 Sir Toby of 'Twelfth Night'
 - 40 Troutler's need
 - 41 Milano subway
 - 42 Bread spread
 - 43 Ancient Athenian region
 - 45 Mischief-maker
 - 46 Nightingale or Barton
 - 48 Remove grime
- DOWN**
- 2 Astringent
 - 3 Zilch, in Zatecas
 - 4 Father Time's
 - 5 Diag. test
 - 6 Cabbie's passenger
 - 7 Man is one
 - 8 Certain Abbr
 - 9 Wheels for
 - 10 Make conform to new facts
 - 11 Larry Hagman's mother
 - 12 Market
 - 13 Eddie Murphy is one
 - 18 Come to terms
 - 23 Farin garments
 - 25 Roguish
 - 26 Kind of justice
 - 27 Detroit's famed hall
 - 28 City on the Oka
 - 29 James MacArthur's mother
 - 30 Palmetto State river
 - 34 Forest Hills grouping
 - 36 Start of a C.S.'s title
 - 37 Sulk
 - 39 'I — Write a Book,' 1940 song
 - 41 West and Murray
 - 43 Star sapphire
 - 44 Cymbal sound
 - 47 Experience again
 - 49 Meadows from Wu Chang
 - 50 Put up with
 - 51 Dakota tribesman
 - 54 Paula location
 - 55 Neighbor of N.Y.
 - 57 State
 - 58 A kind of demisemi-quaver
 - 59 Defersiveness
 - 62 Antithesis of int.
 - 63 She's often fleeced

PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE



WEATHER

Weather forecast table with columns for Europe, Asia, North America, Middle East, and Oceania.

World Stock Markets

World Stock Markets table listing closing prices for various international markets.

BOOKS

JOHN L. SULLIVAN AND HIS AMERICA

By Michael T. Isenberg. 465 pages. \$24.95. University of Illinois Press, 54 E. Gregory Drive, Champaign, Ill. 61820

Reviewed by Chris Mead

If there is a collective American consciousness, John L. Sullivan, heavyweight champion of the world from 1882 to 1892, is a nearly forgotten contributor to its conceptions of masculinity. Murky pop histories and boxing lore remember his bare-knuckle style and extroverted personality in epic terms, and generally describe him as the father of modern prize fighting.

Solution to Previous Puzzle

A crossword puzzle solution grid with words filled in.

while men socialized in groups, usually in saloons. Isenberg successfully analyzes Sullivan's personality and public image in terms of these trends. Sullivan was a child of the city faced with an adult life as a laborer. A large man gifted with extraordinary strength and agility, he found distinction in sports, first as a semi-pro baseball player, then as a boxer.

Chris Mead, a Washington lawyer, is the author of 'Champion: Joe Louis, Black Hero in White America.' He wrote this review for The Washington Post.

BEST SELLERS

Best Sellers table listing top-selling books and their authors.

BRIDGE

By Alan Truscott

Whether bridge is art, science or something else is not an easy question. There is a large verbal and language element in bidding, and to a lesser extent in defense. Card play is largely a science, in which the mathematical mind has some advantage.

BRIDGE

Bridge table with columns for North, South, West, and East, and rows for various cards and suits.

كازمان الاحول

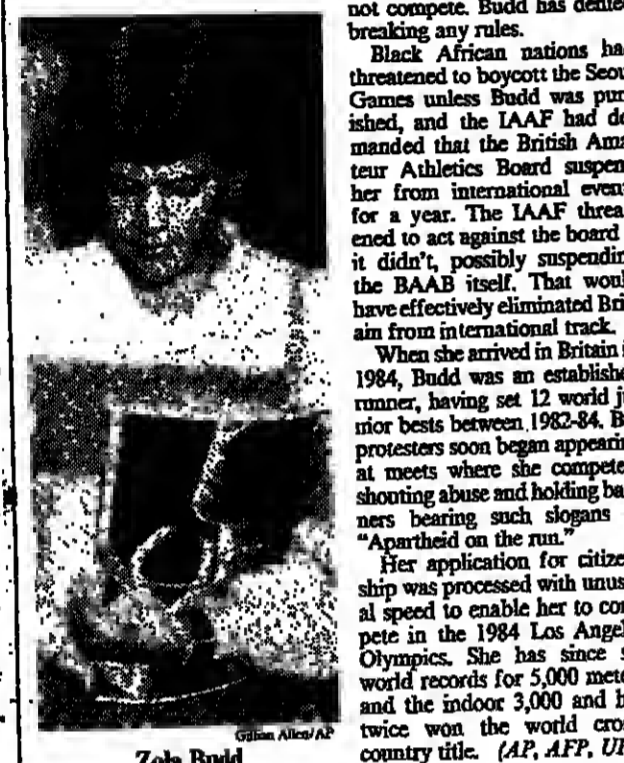
Large advertisement on the right edge of the page, partially cut off, featuring 'Bud' and 'Trac' logos.

SPORTS

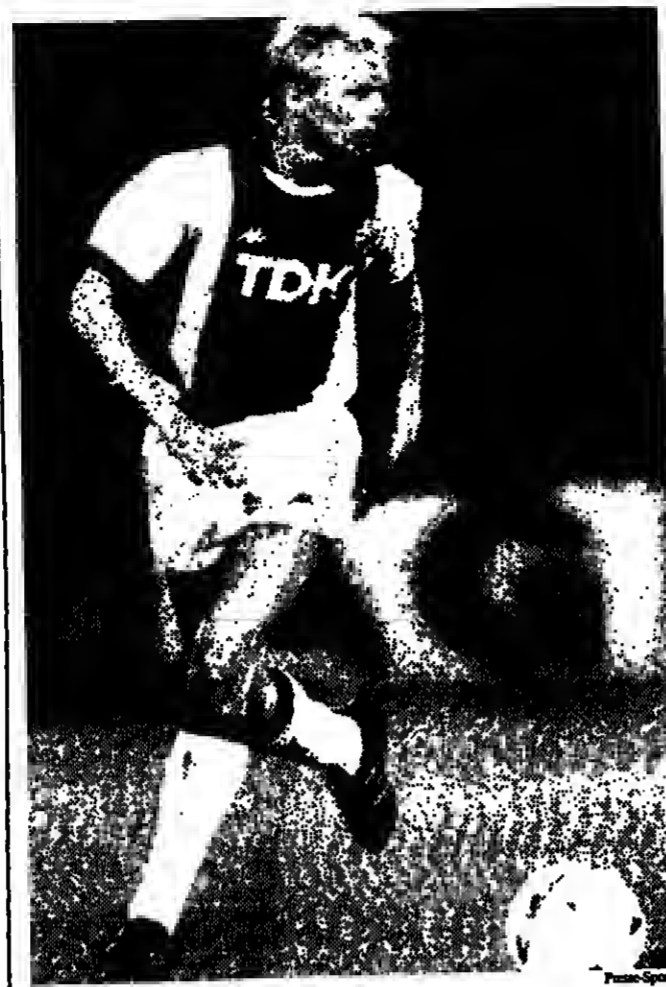
Spring — at Long Last, Cup Finals

Budd Suspends Track Career

JOHANNESBURG — Distance runner Zola Budd, pursued by anti-apartheid activists since taking British citizenship in 1984, on Tuesday suspended her track career and returned to her native South Africa.



Zola Budd



Peter Larsson, the Ajax defender and a commanding leader.

International Herald Tribune LONDON — Come spring, and soccer aficionados' thoughts turn to cup glory.

was discussed by Wimbledon owner Sam Hammers over sheep's brains. If Liverpool's Bruce Grobbelaar is carried off to the hospital he will not be the first against Wimbledon.

Newcomer Jackson Silences Phillies With a Second Consecutive 2-Hitter

PHILADELPHIA — Pitcher Danny Jackson of the Cincinnati Reds forgave Mike Schmidt for doubting him — after proving Schmidt wrong, Jackson, in his first National League season after being traded by Kansas City, Monday night threw his second straight two-hitter against Philadelphia five days after Schmidt had belittled the first.

BASEBALL ROUNDUP

straight victory. The streak is the longest in the majors since the 1977 Kansas City Royals won 16 in a row, Oakland is 12-0 against Eastern Division clubs this season.

SCOREBOARD

Table with columns for Baseball, Hockey, Basketball, and Transition, showing scores and game details.

Save 40% or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune.



With goaltender Greg Hanton sprawled on the ice, Craig Simpson gave Edmonton a 1-0 lead at 15:22 of Monday night's first period.

Monday's Line Scores

Table showing NHL Monday's Line Scores for various teams like Chicago, Pittsburgh, and Detroit.

European Soccer

Table showing European Soccer results for various leagues like the English First Division and the Bundesliga.

Kurri's Overtime Tally Gives Oilers a 3-1 Edge

DETROIT — Jarri Kurri snapped in his second goal of the game, a shot from the left faceoff circle, 11:02 into overtime Monday night.

Hearing for Schoenfeld

New Jersey Coach Jim Schoenfeld's suspension for a confrontation with a referee was rescinded by the NHL Monday, pending a hearing prior to Tuesday night's Wales Conference playoff game with the Boston Bruins.

BLANCPAIN watch advertisement featuring a detailed image of a watch and the text 'SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.'

